

**DOD 7000.14-R**



## **DEPARTMENT OF DEFENSE**

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### **FINANCIAL MANAGEMENT REGULATION**

#### **VOLUME 15**

### **SECURITY ASSISTANCE POLICY AND PROCEDURES**

**MARCH 1993**

**(with changes through February 2000)**

**UNDER SECRETARY OF DEFENSE  
(COMPTROLLER)**

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# COMPTROLLER OF THE DEPARTMENT OF DEFENSE

WASHINGTON, DC 20301-1100

MAR 18 1993

## FOREWORD

This Volume of the Department of Defense Financial Management Regulation is issued under the authority of DoD Instruction 7000.14, "DoD Financial Management Policy and Procedures." It governs financial management by establishing and enforcing requirements, principles, standards, systems, procedures, and practices necessary to comply with financial management statutory and regulatory requirements applicable to the Department of Defense. It directs financial management requirements, systems, and functions for all appropriated, nonappropriated, working capital, revolving, and trust fund activities. In addition, it directs statutory and regulatory financial reporting requirements.

This Volume incorporates material previously issued under DoD 7290.3-M, "Foreign Military Sales Finance and Accounting Manual," September 18, 1986, authorized by DoD Instruction 7290.3, "Foreign Military Sales Finance and Accounting," May 8, 1991, which are both hereby canceled. This Volume establishes procedures for security assistance activities involving management, fiscal matters, accounting, pricing, budgeting for reimbursements to DoD appropriation accounts, and revolving funds, auditing, international balance of payments, and matters affecting the DoD budget, consistent with DoD Directive 5132.3, "DoD Policy and Responsibilities Relating to Security Assistance," March 10, 1981.

This Volume of the Regulation applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Unified and Specified Commands, the Inspector General of the DoD, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as "DoD Components").

This Volume of the Regulation is effective immediately and is mandatory for use by all DoD Components. Heads of DoD Components shall ensure that it is adhered to in day-to-day operations and in the design, modification, and maintenance of their Component's financial management and reporting system or systems. The Heads of DoD Components shall not issue supplementary directives/regulations without the prior written approval of the Office of the Comptroller of the Department of Defense.

The reporting requirements contained in this regulation are exempt from licensing in accordance with paragraph E.4.f., of DoD 7750.5-M, "Procedures for Management of Information Requirements."

Verbal inquiries regarding Chapter 7 should be directed to the Director, Accounting Policy, Office of the DoD Comptroller, (703) 697-0585 or DSN 227-0585. Questions regarding all other Chapters may be directed to the Deputy Director for Accounting, Defense Finance and Accounting Service, (703) 607-1339 or DSN 327-1339.

Written questions or recommendations for changes to this Volume of the Regulation, as well as requests for deviations from or exceptions to specific standards, along with justification, should be forwarded, through channels, to the address below:

Office of the Comptroller of the Department of Defense  
Room 3E822  
The Pentagon  
Washington, DC 20301-1100

DoD Components will be provided copies of this Volume of the Regulation through normal publication channels. Other Federal Agencies and the public may obtain copies of this Volume from the Defense Institute of Security Assistance Management (DISAM/DRP), Wright-Patterson Air Force Base, Ohio 45433-5000 (DSN 785-2994).

Donald B. Shycoff  
Acting Comptroller



| <b>SUMMARY OF MAJOR CHANGES TO<br/>DoD 7000.14-R, VOLUME 15, CHAPTER 1<br/>SECURITY ASSISTANCE POLICY AND PROCEDURES</b> |                    |   |   |
|--|--------------------|---|---|
| <b>PAGE</b>  | <b>PARA</b>        | <b>EXPLANATION OF CHANGE/REVISION</b>   | <b>PURPOSE</b>                                |
| 1-1  | 010102             | Deleted reference to DoD Instruction 7290.3, Foreign Military Sales Finance and Accounting revised cost factors is available for reconciliation.            | Instruction previously canceled               |
| 1-1  | 010103             | Updated list of organizations.  | Update  |
| 1-2  | 010104.C.          | Reference updated to "DoDFMR."  | Update  |
| 1-3  | 010105.B.<br>3./4. | New page numbering.   | Regulation Stds                               |
| 1-3  | 010105.C.          | "DoDFMR" will be published and distributed on the internet. Interim changes may be issued via memorandum by USD(C).   | Update  |
| 1-3  | 010106             | Revision of method for requesting changes.  | Update  |
| 1-4  | 010107.C.          | Requirement to retain copies of canceled volumes added to ensure information concerning text clarified.   | Internal control /Protect USG/ Reconciliation |
| 1-4  | 102                | Old section 0102 was moved to Chapter 7; section deleted.   | Update  |
| 1-4  | 010201.A.          | Treasury requirement to include point designation on the receipt account symbol (Ltr 29 Sep 93)   | Update  |
| 1-4  | 010201.A.          | Reference updated.  | Update  |
| 1-4<br>and<br>1-5  | 010202.A/<br>B.    | Revised information on receipt and cash collection accounts.  | Update  |
| 1-5  | 010202.A           | Loan and credit account information updated.  | Update  |
| 1-5  | 010202.B.          | Account information updated and new paragraph added.  | Update  |
| 1-6  | 010303.A./<br>B.   | Deletion of these old paragraphs since account 11X4117 is fully liquidated and has been eliminated from the Treasury's Federal Accounts Symbols and Titles. | Update  |

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## DEFINITIONS

1. Above-the-line-Cost. Cost identified as specific FMS line items for articles or services or as part of a specific line on an LOA (see Table 201-1). Applicable costs are added to arrive at the estimated cost shown on the LOA format.

2. Accrued Expenditures. The term used for the credits entered into the budgetary accounts to recognize liabilities incurred for (1) services performed by employees, contractors, other Government accounting entities, vendors, carriers, grantees, lessors, etc.; (2) goods and other tangible property received; and (3) items such as annuities or insurance claims for which no current service is required. Accrued expenditures are categorized as either paid or unpaid.

A. Accrued Expenditure-Paid. The budgetary account which matches the proprietary account "funds disbursed." It represents the dollar value of goods and services received for which payment has been made.

B. Accrued Expenditure-Unpaid. The budgetary account which matches the proprietary account "accounts payable." It represents the dollar value of goods and services received for which payment has not been made.

3. Allotment. Authority issued to a DoD Component to incur commitments and obligations within a specified amount. In the FMS program there are two types of allotments:

A. Allotment for Actual Administrative Expenses. All of the actual cost incurred by DoD Components in administering the FMS program are funded by this allotment. The allotment is issued on a quarterly basis and may not be exceeded.

B. Allotment for Program Implementation. An allotment of FMS case contract authority for use on a direct cite basis, citing the allotment holder's accounting station. This type of allotment is made when SAAC determines it does not have the accounting capability to support detailed accounting requirements below the FMS

case level, i.e., commitments, obligations and disbursements resulting from contract award to implement individual FMS case line items. The amount released on each FMS case is a specific limitation and the monthly status-of-allotment report must show the status of each case.

4. Anticipated Reimbursements. "Anticipated Reimbursements" refers to the dollar value of reimbursable orders that has been included in the DoD Component's budget. Applicable amounts are not available for obligation until an actual customer order has been received. There are two general type of anticipated FMS reimbursements.

A. Apportioned Anticipated Reimbursements. Initial and interim reports of budget execution reflect apportioned anticipated reimbursements but commitments and obligations cannot exceed the value of approved amounts reflected in column 10 of the DD Form 2060. September 30 budget execution reports will reduce the amount of anticipated reimbursement to agree with DD Form 2060 actual orders. In the event the reimbursable program is subject to apportionment action, DD Form 2060 orders received in excess of the apportionment are not available for obligation until the apportionment for reimbursable orders is increased through the Defense budget process.

B. Automatically Apportioned Anticipated Reimbursements. When anticipated reimbursements are subject to automatic apportionment, the value of any DD Form 2060 reimbursable order is available for obligation.

5. Arrearage. In FMS, a country-level arrearage occurs on a net cash basis wherein total accrued expenditures exceed total available cash resources.

6. Attrition. The destruction of a DoD capital asset when a foreign student was in physical control of the asset or was a direct result of negligence, simple or gross.

7. Below-the-line-Costs. Costs identified in the LOA (See Table 201-1) in lines 9 through 12. Applicable costs are added to line 8, net estimated costs, to arrive at line 13, estimated total costs. Normally, SAAC retains the obligational authority necessary to execute these applicable costs.

8. Contract/Budget Authority. Authority provided by law to enter into obligations (in support of FMS cases) without all of the cash necessary to liquidate the obligations. There are two basic types of budget authority resulting from operation of the FMS program:

A. Contract/Budget Authority in DoD Appropriation/Fund Account. In the direct program portion of the budget, this authority results from the appropriation process. For the reimbursable portion of the budget, the authority results from receipt of customer orders. In the case of the FMS program, the customer order (and hence budget authority) results from receipt by the implementing agency of a reimbursable order issued by the Security Assistance Accounting Center (SAAC) for all or a portion of an FMS case.

B. Contract/Budget Authority in the Trust Fund. This authority represents that portion of the FMS case which will be implemented in the current fiscal year. That portion of an FMS case that may not be implemented in the current fiscal year is an uncommitted acceptance. Uncommitted acceptances are not budget authority but are reported in schedules attached to the DD Form 1176, "Report on Budget Execution."

9. Defense Business Operations Fund. A working capital fund.

10. Defense Stock. The term "stock" includes defense articles on hand that are available for prompt delivery. It also includes defense articles (contract) on order that are available for delivery within a reasonable time from the date of order by an eligible foreign government or international organization without increasing outstanding contracts or entering into new contracts. Any orders received from and eligible foreign government or international organization which cannot be filled in this manner fall within the provisions

of Section 22 of the Arms Export Control Act [reference (a)].

11. Dependable Undertaking. A firm commitment made by a foreign government or international organization to pay the full cost of and to assure the U.S. Government against any loss on a contract for new production or the performance of a defense service.

12. Direct Cite. Citation of the Trust Fund, 97-11X8242, as the financing source on documents leaving the DoD system, contracts with commercial firms, General Services Administration, Department of Transportation, etc. The term "direct cite" is not valid if any DoD organization establishes a reimbursable order to a DoD appropriation account, or Defense Business Operations Fund.

13. Distributed Costs. Refers to a cost which has been identified or allocated to an FMS case.

14. Estimated Actual Charges. A systematic and documented estimate of actual cost. The procedure is used in the absence of an established cost accounting system and the procedure is sometimes referred to as a cost finding technique.

15. Expenditure Authority. Authority issued by SAAC to a disbursing activity authorizing the disbursement of an FMS country's funds. See Section 406 for complete details.

16. Full Value for DoD Stocks and Services. A selling price computed in accordance with Chapter 7 of this Volume.

17. Financing Appropriation. The appropriation account originally increased as a result of the performing DoD Component's acceptance of a reimbursable order from the SAAC. This activity is reflected as "FMS reimbursables."

18. FMS Case. A DD Form 1513, "United States Department of Defense Offer and Acceptance," which has been accepted by a foreign country.

19. FMSO. A term which stands for Foreign Military Sales Order and used to describe LOAs which implement Cooperative Logistics Supply Support Arrangements. Two LOAs are written;

a FMSO I and a FMSO II. The FMSO I, Part A, represents the on-hand value of DoD CONUS inventories required to support FMS customer requisitions. The FMSO I, Part B, provides the obligational authority to fund the remaining portion of the order. The FMSO II is the annual consumption case, and all FMSO deliveries are reported against this case.

20. Implementing Agency. The Military Department or Defense Agency assigned responsibility by the Defense Security Assistance Agency to prepare a DD Form 1513 and to implement the case. The implementing agency is responsible for overall management of the actions which will result in delivery of the materials or services set forth in the Letter of Offer and Acceptance (LOA) which was accepted by a foreign country or international organization.

21. Indebtedness. "Indebtedness" refers to financial obligations of FMS customers to make payment(s) to the U.S. Government in accordance with the provisions of the Letters of Offer and Acceptance.

22. Major Defense Equipment (MDE). MDE are those items of significant military equipment, as identified in the International Traffic in Arms Regulation U.S. Munitions List, which have incurred a nonrecurring cost for RDT&E of \$50 million or a total production cost of \$200 million or more.

23. Net Case Value. Total amount of cost reflected above-the-line on the LOA as amended or modified.

24. Nonstandard Article. For FMS purposes, a nonstandard article is one that the DoD does not manage, either because applicable end items have been retired or because they were never purchased for DoD Components.

25. Nonstandard Service. For FMS purposes a nonstandard service is a service that the DoD does not routinely purchase or perform.

26. Obligational Authority. Total authority received through use of the DD Form 2060. Includes column 11 authority to incur commit-

ments and obligations directly against the Trust Fund and column 10 reimbursable orders.

27. Omnibus Billing Statement of Account. A statement of additional charges or credits to cases that have been recategorized from active to inactive status.

28. Reimbursable Order. A DD Form 2060 with a dollar value in column 10. Applicable amounts must be reflected in reimbursement reports as an FMS Trust Fund reimbursable activity.

29. Secondary Appropriation. An appropriation account increased as a result of reimbursable orders from an implementing agency which cite one of the implementing agency's appropriation accounts. Activity in a secondary appropriation is not categorized as an "FMS reimbursable."

30. Staging Cost. The cost incurred by the Department of Defense in consolidation of materiel before shipment to an FMS customer. Includes costs incident to storage and control of inventory, consolidation of incoming articles into a single shipment, and a break in CONUS transportation.

31. Trust Fund. The Trust Fund, "Advances, Foreign Military Sales, Executive" (97-11X8242).

32. Uncommitted Acceptance. The portion of the dollar value for FMS which cannot be executed and which has not been released to an implementing agency.

33. Undistributed Cost. A cost or disbursement to a budget authority which has not been allocated to a specific case.

34. Working Capital Fund. The Defense Business Operations Fund.



## ABBREVIATIONS AND/OR ACRONYMS

|             |  |           |  |
|-------------|--|-----------|--|
| AAO         | approved acquisition objective                         | CNO       | Chief of Naval Operations                            |
| AC          | acquisition cost                                       | CONUS     | continental United States                            |
| ACC         | Air Combat Command                                     | CPC       | copy production cost                                 |
| ACO         | administrative contracting officer                     | CR        | credit   |
| ACOCS       | Army Customer Order Control System                     | CSA       | Chief of Staff Army                                  |
| ACRN        | accounting classification reference number             | DARPA     | Defense Advanced Research Projects Agency            |
| Admin       | administrative surcharge                               | DB        | debit  |
| ADP         | automated data processing                              | DBOF      | Defense Business Operations Fund                     |
| ADSN        | accounting and disbursing station number               | DECA      | Defense Commissary Agency                            |
| AECA        | Arms Export Control Act                                | DEPSECDEF | Deputy Secretary of Defense                          |
| AF          | Air Force  | DCAA      | Defense Contract Audit Agency                        |
| AFB         | Air Force base   | DCS       | Defense Courier Service                              |
| AFLC        | Air Force Logistics Command                            | DCMC      | Defense Contract Management Command                  |
| AFMC        | Air Force Materiel Command (combines AFSC and AFLC)    | DFAS      | Defense Finance and Accounting Service               |
| AFSAC       | Air Force Security Assistance Center                   | DIFS      | Defense Integrated Financial System                  |
| AFSAT       | Air Force Security Assistance Training                 | DISAM     | Defense Institute for Security Assistance Management |
| AFSC        | Air Force Systems Command                              | DLA       | Defense Logistics Agency                             |
| AFSPACE-COM | Air Force Space Command                                | DMA       | Defense Mapping Agency                               |
| AMC         | Army Military Command                                  | DNA       | Defense Nuclear Agency                               |
| AMC         | Air Mobility Command (combines Air Force SAC/MAC /TAC) | DOD       | Department of Defense                                |
| APO         | Air Force/Army post office                             | DODCCP    | DoD Central Control Point                            |
| APOE        | aerial port of entry                                   | DODD      | Department of Defense directive                      |
| APPROP      | appropriation  | DSAA      | Defense Security Assistance Agency                   |
| ASSN        | accounting station symbol number                       | DSARC     | Defense Systems Acquisition Review Council           |
| ATC         | Air Training Command                                   | DSC       | delivery source code                                 |
| AWACS       | Airborne Warning and Control System                    | DSSN      | disbursing station symbol number                     |
|             |  | DTC       | delivery term code                                   |
|             |  | DTS       | Defense Transportation System                        |
| BA          | budget authority                                       | EA        | expenditure authority                                |
| BAQ         | basic allowance for quarters                           | ECP       | engineering change proposal                          |
| BOQ         | base officers' quarters                                | ETSS      | extended training services specialists               |
| BOS         | base operations support                                |           |  |
| CAS         | contract administration services                       | FAA       | Foreign Assistance Act                               |
| CCBL        | collect commercial bill of lading                      | FAS       | free along side                                      |
| CC          | country code   | FICS      | FMS Integrated Control System                        |
| CCM         | command country manager                                | FMFIA     | Federal Manager's Financial Integrity Act            |
| CFO         | chief financial officer                                | FMS       | foreign military sales                               |
| CLSSA       | cooperative logistics supply support arrangement       | FMT       | foreign military training                            |
| CMCS        | Case Management Control System                         | FOB       | freight-on-board                                     |

|           |   |         |  |
|-----------|---|---------|--|
| FPO       | fleet postal office                                       | MTMC    | Military Traffic Management Command  |
| FRB       | Federal Reserve Bank                                      | MTT     | mobile training team   |
| FRBNY     | Federal Reserve Bank of New York                          | MWO     | modification work order  |
| FRFT      | Federal Reserve Funds Transfer                            |         |  |
| FRS       | Federal Reserve System                                    |         |  |
| FY        | fiscal year   | NAC     | National Advisory Council on International Monetary and Financial Policies |
| FYDP      | five year defense program                                 |         |  |
|           |   | NATO    | North Atlantic Treaty Organization   |
| GBL       | government bill of lading                                 | NAVILCO | US Navy International Logistics Center                                     |
| GFM       | government furnished materiel                             |         |  |
| GLA       | General Ledger accounts                                   | NC      | nonrecurring cost  |
| GSA       | General Services Administration                           | NMDE    | non-major defense equipment  |
|           |   | NSN     | national stock "number"  |
| IA        | implementing agency                                       |         |  |
| ICP       | inventory control point                                   | OA      | obligational authority   |
| IF        | industrial fund   | OASD    | Office of the Assistant Secretary of Defense                               |
| ILC       | International Logistics Center                            |         |  |
| IMET      | International Military Education and Training             | OCONUS  | overseas continental United States operations and maintenance              |
| IMETP     | International Military Education and Training Program     | O&M     | Office of the Secretary of Defense   |
| ILSDP     | international logistics supply delivery plan              | OSD     |  |
| IPO       | international program office (Navy)                       | P&A     | price and availability   |
| ITO       | individual travel order                                   | PBAS    | program budget and accounting system                                       |
|           |   | PC&H    | packing, crating, and handling   |
| LOA       | letter of offer and acceptance                            | PCH&T   | packing, crating, handling, and transportation                             |
| LOGAIR    | AFLC logistical airline                                   |         |  |
| LOI       | letter of offer and intent                                | PCS     | permanent change of station  |
| LOR       | letter of request   | POD     | port of debarkation  |
| LSC       | logistics support surcharge                               | POE     | port of embarkation  |
|           |   | POL     | petroleum, oil, and lubricants   |
|           |   | PTC     | positive transaction control   |
| MAC       | Military Airlift Command                                  |         |  |
| MAP       | military assistance program                               | Q       | quantity   |
| MASL      | military articles and services list                       |         |  |
| MCP       | management control program                                | RCS     | report control symbol  |
| MDE       | major defense equipment                                   | R&D     | research and development   |
| MILDEP    | military department                                       | RDT&E   | research, development, test, and evaluation                                |
| MILSBILLS | military standard billing system                          |         |  |
| MILSTRIP  | military standard requisitioning and inventory procedures | RIC     | routing identifier code  |
|           | military interdepartmental purchase request               | ROD     | report of discrepancy  |
| MIPR      |   | RSN     | record serial number   |
|           |   |         |  |
| MGT       | management  | SAAC    | Security Assistance Accounting Center                                      |
| MOM       | military ordinary mail                                    |         |  |
| MMOU      | multinational memorandum of understanding                 | SAAM    | special assignment airlift mission   |
|           |   | SAC     | Strategic Air Command  |
| MP        | military personnel  | SAMIS   | Security Assistance Management Information System                          |
| MSC       | Military Sealift Command                                  |         |  |
| MST       | management service team                                   | SAMM    | Security Assistance Management Manual                                      |

|        |   |
|--------|---|
| SAO    | security assistance organization                  |
| SAR    | selected acquisition report                       |
| SC     | special cost                                      |
| SDAF   | Special Defense Acquisition Fund                  |
| SECDEF | Secretary of Defense                              |
| SF     | standard form                                     |
| SGL    | Standard General Ledger                           |
|        |   |
| TAC    | Tactical Air Command                              |
| TAC    | transportation account code                       |
| TAFT   | technical assistance field team                   |
| TAT    | technical assistance team                         |
| TBC    | transportation bill code                          |
| TCN    | transportation control number                     |
| TDP    | technical data package                            |
| TDY    | temporary duty                                    |
| TF     | Trust Fund  |
| TFCS   | Treasury Financial<br>Communications System       |
| TL     | termination liability                             |
| TRADOC | Army Training and Doctrine<br>Command             |
| TRANS  | transportation                                    |
| TRC    | transaction reply code                            |
|        |   |
| UCA    | uniform chart of accounts                         |
| ULO    | unliquidated obligation                           |
| USA    | United States Army                                |
| USAF   | United States Air Force                           |
| USASAC | United States Army Security<br>Assistance Command |
| USCG   | United States Coast Guard                         |
| USG    | United States Government                          |
| USMC   | United States Marine Corps                        |
| USN    | United States Navy                                |
|        |   |
| VI-IA  | variable housing allowance                        |
| VOQ    | visiting officer's quarters                       |
|        |   |
| WCN    | worksheet control number                          |
| WIP    | work-in-process                                   |

**REFERENCES APPLICABLE TO CHAPTERS 1 AND 2**

- (a) Public Law 90-629, "The Foreign Military Sales Act of 1968," was amended by Public Law 94-329, "The International Security Assistance and Arms Export Control Act of 1976," and they are commonly referred to as the "Arms Export Control Act (AECA)." Previous legislation included "The Mutual Security Act of 1954," as amended, and "The Foreign Assistance Act (FAA) of 1961," as amended. Both the AECA and the FAA are amended by annual legislation usually entitled, "The International Security and Development Cooperation Act of (year)." Examples include Public Law 97-113 and 99-83. Other related legislation includes laws such as Public Law 100-461, "Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989," October 1, 1988, 102 Stat 2268
- (b) DoD Instruction 7000.14, "DoD Financial Management Policy and Procedures," June 1992
- (c) DoD 5105.38-M, "Security Assistance Management Manual," October 1988, authorized by DoD Directive 5105.38, "Defense Security Assistance Agency (DSAA)," August 10, 1978
- (d) DoD Directive 7200.1, "Administrative Control of Appropriations," May 4, 1995
- (e) Federal Acquisition Regulation (FAR), and Defense FAR Supplement (DFARS)
- (f) DoD 8910.1-M, "DoD Procedures for Management of Information Requirements," June 1998
- (g) Public Law 90-629, AECA [see reference (a)], as amended, 82 Stat 1323 (22 U.S.C. 2762)
- (h) Public Law 97-255 "Federal Managers' Financial Integrity Act of 1982," September 8, 1982, as amended, 96 Stat 814 [31 U.S.C. 3512(b)]
- (j) Department of the Treasury, Financial Manual for Guidance of Departments and Agencies, Volume I
- (k) Chapter 104, "Interstate Commerce Act of 1887," February 4, 1887, as amended, 24 Stat 379 (49 U.S.C. 10721, 10761) and "The Elkins Act" (49 U.S.C. 11903)
- (l) Defense Appropriation Acts; For example, "The Department of Defense Appropriation Act of 1983," section 747; Public Law 96-29, "The DoD 1979 Supplemental Appropriation Authorization Act"; Public Law 96-107, "The FY 1980 DoD Appropriation Authorization Act"; Public Law 96-342, "Department of Defense Appropriations Act, 1981," 94 Stat 1077; and Public Law 101-165, "Department of Defense Appropriations Act, 1990," November 21, 1989, 103 Stat 1152 (22 U.S.C. 2761)
- (m) DoD 4140.1-R, "DoD Material Management Regulation," May 1998

- (n) DoD 4160.21-M, "Defense Reutilization and Marketing Manual," August 1997
- (o) DoD Instruction 7310.1, "Disposition of Proceeds from DoD Sales of Personal Property," July 10, 1989
- (p) DoD Directive 2140.2, "Recoupment of Nonrecurring Costs (NC) on Sales of U.S. Items," January 13, 1993
- (q) Public Law 97-177, "Prompt Payment Act," May 21, 1982, as amended, 96 Stat 85 (31 U.S.C. 3901-3906)
- (r) DoD Directive 2000.8, "Cooperative Logistics Supply Support Arrangements," February 12, 1981
- (t) DoD 1338.10-M, "Manual for the Department of Defense Food Service Program," November 1978
- (u) Joint Regulation DLAR 4140.60, AR 12-12, NAVMATINST 4355.72A, AFR 67-7 and MCO 4140.1C, "Processing Discrepancy Reports Against Foreign Military Sales Shipments," June 21, 1984
- (v) DoD 4000.25-7-M, "Military Standard Billing System (MILSBILLS)," January 1985
- (w) DoD Manual 5100.76, "Physical Security of Sensitive Conventional Arms, Ammunitions, and Explosives," September 1992
- (x) DoD Directive 5132.3, "DoD Policy and Responsibilities Relating to Security Assistance," March 10, 1981
- (y) GAO Policy and Procedures Manual for Guidance of Federal Agencies Title 2--Accounting, Appendix II, Internal Control Standards

**CHAPTER 1**

**GENERAL INFORMATION**

**0101 INTRODUCTION**

**010101.      Purpose.** The purpose of this Volume is to:

A.      Establish the accounting, pricing, budgeting, and reporting policies and procedures which are necessary to implement the financial management requirements of the Arms Export Control Act [reference (a)], hereinafter referred to as the AECA.

B.      Establish the accounting, financing, and billing procedures for foreign military sales (FMS) transactions in the Trust Fund (Advances Foreign Military Sales, Executive) and in the performing appropriations when FMS orders are executed on a reimbursable basis.

C.      Establish the pricing and costing criteria for FMS sales of defense articles and defense services (including training) and construction services furnished to friendly foreign governments and international organizations under authority of the AECA.

D.      Ensure that the pricing policies are applied in situations where a contractor, involved in direct sales to a foreign government, acts as an agent of the foreign government in executing a purchase agreement with the U.S. Government for Department of Defense (DoD) materiel and services. The policies apply where coproduction, codevelopment, cooperative production, or cooperative development agreements are entered into with foreign governments.

★      010102.      Authority. This Regulation is issued under authority of DoD Instruction 7000.14, "DoD Financial Management Policy and Procedures," [reference (b)].

★      010103.      Applicability. This Volume of the Regulation applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff and the Unified Combatant Commands, the Inspector General of the DoD, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as "DoD Components"). Unless specifically exempted, FMS transactions should follow DoD accounting guidance contained elsewhere in this Regulation.

**010104.      Objectives.** The general objectives of this Volume are to:

A.      Assure full compliance with the financial management and pricing requirements of the AECA, as amended.

B. Provide an integrated accounting and financial control system that will record all financial transactions related to an FMS case from the time it is accepted until it is completed.

★ C. Provide complete accounting support for the budget schedules and budget concepts as reflected in Volumes 2A and 2B of this Regulation [reference (d)].

D. Provide an accounting and financial control pattern for FMS work which gives appropriate recognition to the fact that the budget authority resulting from accepted FMS cases is not necessarily recorded for obligation in the year in which the case is accepted by the FMS customer.

E. Ensure that Trust Fund and performing appropriation accounting, reporting, and budget schedules are properly interfaced.

F. Facilitate budgeting, financial planning, and cost estimating for FMS transactions.

G. Ensure compliance with all requirements for the administrative control of funds and provide a Trust Fund accounting system that will meet General Accounting Office (GAO) standards.

**010105. Volume Organization and Maintenance**

A. Organization. This Volume consists of chapters which are organized in terms of major categories of interest. For example, Chapter 2, Finance, provides the procedures to be followed in recognizing budget authority by various DoD Components involved in execution of an FMS case. Paragraph 020102 explains the responsibilities of the various DoD Components, paragraph 020103 explains the documents required for creation of budget authority, and paragraph 020104 establishes policies for recognition of budget authority in the FMS Trust Fund.

**B. Identification System**

1. Each of the chapters is subdivided into sections that are numbered consecutively in the hundred series identified by the chapter number. For example, section 0101 is the first section in Chapter 1, section 0201 is the first section in Chapter 2, etc.

2. Paragraphs are numbered consecutively with a six-digit number consisting of the chapter number (two digits), the section number (two digits), and a two-digit paragraph identity. For example, the first paragraph in section 0101 is numbered 010101 and the

fourth paragraph in section 0101 is numbered 010104. Subparagraphs and subdivisions thereof are identified, in turn as necessary, by upper-case letters, Arabic numerals, lower-case letters, Arabic numerals in parentheses, lower-case letters in parentheses, underlined Arabic numerals and underlined lower-case letters. Thus, a subparagraph might be referred to as subparagraph 010101.A.1.a.(1)(a)1.a. Lower-case Roman numerals in parentheses will be used to identify lists of items within the text of a paragraph or subparagraph.

★ 3. Page numbers are listed consecutively by chapter.

★ 4. Table numbers consist of a two-part number. The first part will be the chapter number and the second part will be an Arabic number assigned to the table (e.g., 1-1, 1-2, etc.).

5. Appendix numbers consist of a two-part number. The first part will be the consecutive letter of the alphabet and the second part will be the page number (e.g., A-1, B-2, etc.).

★ C. Basic Publication and Changes. This Volume will be placed on the internet to permit financial management policies contained in this Regulation to realize the widest possible distribution and dissemination within the DoD, while preserving valuable resources for other uses. Formal coordination is required for all changes to the DoDFMR and must be approved by the Under Secretary of Defense (Comptroller). Changes to the Volume will be made to the extent feasible by reissuance of individual chapters. Revised guidance issued by Under Secretary of Defense (Comptroller) memorandum in advance of a formal change to the Volume will be incorporated in a formal change as soon as possible after issuance of the memorandum.

D. Distribution. This Volume and changes thereto will be distributed in accordance with provisions of the DoD Directives System.

E. Syntax. The use of the virgule, commonly know as a slash (/) mark, throughout this Regulation is to denote alternatives, as in "and/or."

★ 010106. Interpretations, Recommendations, and Deviations. Requests for clarification, interpretation of, or changes to the provisions of this Volume will be submitted through comptroller channels to the Office of the Under Secretary of Defense (Comptroller). Any guidance contained in this Volume that appears to be in conflict with other DoD issuances or the governing statutes and regulations will be reported to the DFAS-HQ/A. Deviations from the financial and accounting policies prescribed in this Volume may not be implemented without the prior approval of the Office of the Under Secretary of Defense (Comptroller).

010107. Effective Date and Implementation

A. The provisions of this Volume are effective immediately.



B. The DoD Components will, when necessary, proceed to design or modify their reporting systems and pricing regulations in a manner that is consistent with the policies and procedures contained herein.

★ C. Organizations responsible for billing, reimbursement, and reconciliation should retain a canceled Volume for reference since certain material, e.g. salary tables, will not be repeated.

0102 TREASURY ACCOUNTS

010201. Treasury Accounts Applicable to FMS Trust Fund Operations. The Treasury Department has established the following Trust Fund receipt and expenditure accounts to be used to account for cash collections, budget authority, and cash disbursements resulting from the FMS Program:

★ A. Cash Receipts. Cash collected for sections 21, 22, and 29 sales of the AECA is deposited into Treasury Account 8242.001, "Deposits, Advances, Foreign Military Sales, Executive." Cash collections into this account include cash transfers from appropriations provided by the U.S. Government to finance section 23 credit sales and the proceeds of section 24 guaranteed commercial loans. Departmental Treasury reports reporting the status of collections will reflect account 8242.001 and are listed in the Treasury Financial Management Service system under Line Code 1389, "Proprietary Receipts from the Public."

B. Budget Authority. The budget authority resulting from FMS orders is recognized in Treasury Account 97-11X8242, "Advances, Foreign Military Sales, Executive." Budget authority is recognized only to the extent it is estimated that orders will be executed during a year. The portion of the order which cannot be executed is classified as an uncommitted acceptance.

C. Cash Expenditures. Cash disbursements to contractors (when direct cite procedures are used) and to DoD Components for services, items from inventory, and procurements financed by DoD appropriations/fund accounts are made from account 97-11X8242, "Advances, Foreign Military Sales, Executive."

010202. Treasury Accounts Applicable to Appropriations Made Available to Finance Credit Sales and Guaranties Under Sections 23 and 24 of the AECA

A. Receipt and Utilization of Appropriations.

★ 1. Account 11X4121, "Foreign Military Loan Liquidating Account, Funds Appropriated to the President," was established to record the receipt and use of funds appropriated by the Congress to finance section 23 credit sales and section 24 guaranties for pre-1992 loan obligations.

★                   2.     Account 11(fiscal year)1085, "Foreign Military Financing, Direct Loan Program Account, Funds Appropriated to the President," was established to record the appropriation that subsidizes (the estimated long term cost to the U.S. Government) the post-FY 1991 foreign military direct loan obligations.

★                   3.     Account 11X4122, "Foreign Military Financing, Direct Loan Financing Account, Funds Appropriated to the President," receives the subsidy cost payments from the program account, and includes all other cash flows to and from the U.S. Government resulting from post-1991 foreign military direct loans.

★                   4.     Account 11(fiscal year)1082, "Foreign Military Financing Program, Grants, Funds Appropriated to the President," was established to record the receipt and use of funds appropriated by the Congress to finance, by grant, U.S. defense sales to selected foreign friends and allies, and primarily through the FMS program.

★                   B.     Cash Collections. The following accounts are used for collections made from foreign countries as a result of credit sales and guaranties.

★                   1.     Account 11X4121, "Foreign Military Loan Liquidating Account, Funds Appropriated to the President." This account issued to collect the country's repayments to the Defense Security Cooperation Agency (DSCA) for default payment made by the DSCA to the Federal Financing Bank or commercial banks holding loans guaranteed by the DSCA for pre-1992 loan obligations.

★                   2.     Account 11X4122, "Foreign Military Financing, Direct Loan Financing Account, Funds Appropriated to the President." This account is used for collections of the countries' repayments for post-1991 direct loan obligations.

#### 0103    TYPES OF FINANCING

010301.    General. There are two types of financing associated with FMS: reimbursable and direct cite. The detailed budgeting and accounting requirements for each type are discussed throughout the remainder of this Volume.

★    010302.    Reimbursable Financing. Section 21 sales and those section 22 sales of the AECA for which the President has determined it is in the national interest to bill for defense articles and services on or after delivery (deferred payment), shall be accomplished using reimbursable financing. In other words, if deferred payment is authorized, then the appropriation accounts must be used to initially finance any outlays until FMS customer payment is made.

010303.    Direct Cite Financing. New procurements initiated as a result of FMS orders under sections 22 and 29 of the AECA (except as exempted above) should be accomplished to the maximum extent feasible and appropriate through direct citation of the FMS Trust Fund (97-11X8242) on applicable contractual documents.

010304. Accounting Classification Codes of the FMS Trust Fund. Accounting classification codes of the FMS Trust Fund are shown in Table 1-1.

**FMS TRUST FUND ACCOUNTING CLASSIFICATION CODES**

| <u>Appropriation/<br/>Limit</u> | <u>Agency Code</u> | <u>Agency Name</u>                           |
|---------------------------------|--------------------|--|
| 97-11X8242.XXX1                 | B                  | Army   |
| 97-11X8242.XXXC                 | C                  | Defense Information Systems Agency           |
| 97-11X8242.XXX2                 | D                  | Air Force                                    |
| 97-11X8242.XXXG                 | G                  | Defense Finance and<br>Accounting Service    |
| 97-11X8242.XXXX                 | K                  | Marine Corps                                 |
| 97-11X8242.28XX                 | P                  | Navy and Marine Corps (MISIL)                |
| 97-11X8242.XXXX                 | P                  | Navy (STARS)                                 |
| 97-11X8242.XXX9                 | Q                  | Defense Security Cooperation Agency          |
| 97-11X8242.XXXE                 | E                  | U.S. Army Corps of Engineers                 |
| 97-11X8242.XXXM                 | M                  | Army - Other                                 |
| 97-11X8242.XXXR                 | R                  | Defense Logistics Agency                     |
| 97-11X8242.XXXU                 | U                  | National Imagery and Mapping<br>Agency       |
| 97-11X8242.XXXV                 | V                  | Defense Contract Audit Agency                |
| 97-11X8242.XXXW                 | W                  | Defense Advanced Research Projects<br>Agency |
| 97-11X8242.XXXZ                 | Z                  | Defense Threat Reduction Agency              |

**Table 1-1**

## CHAPTER 2

FINANCE0201 INTRODUCTION

020101. Objectives. The objectives of the policies set forth in this chapter are to assure that all Letters of Offer and Acceptance (LOAs) which have been accepted by FMS customers are brought under full accounting control and that budget authority is released for execution in the year in which contracts to fill customer requirements will be awarded, articles from inventory will be released to common carriers/the Defense Transportation System, or DoD in-house services will be performed. The chapter also provides procedures covering issuance of obligational authority related to FMS case execution and FMS administrative and contract administration services.

020102. Responsibilities

A. Defense Security Cooperation Agency (DSCA). It is the responsibility of the DSCA to prepare annual budget requests for the FMS Trust Fund obligational and outlay authority necessary to support the FMS program. The DSCA reviews and approves budgets for the FMS administrative charge/logistics support charge and Security Assistance Organizations and target estimates for contract administration services.

B. Implementing Agency. It is the responsibility of the DoD Component that prepares individual LOAs, hereinafter referred to as the Implementing Agency, to assure: (1) estimated prices in LOAs meet DoD pricing requirements, (2) LOA payment schedules are accurate and meet DoD payment requirements, (3) a realistic time-phased plan is developed for execution of LOAs upon FMS customer acceptance, (4) a prepositioned request for the obligational authority -- which will be required to initiate performance of the LOA -- is submitted to the Deputate for Security Assistance, Denver Center (DFAS-DE/I), (5) sufficient anticipated appropriation/fund reimbursable authority is included in the Defense budget, and (6) appropriation/ fund budget execution records accurately reflect the status of the reimbursable FMS program.

C. The Deputate for Security Assistance (DFAS-DE/I). It is the responsibility of the DFAS-DE/I to: (1) record budget authority resulting from accepted LOAs in the FMS Trust Fund accounting system, (2) maintain FMS Trust Fund budget execution records, (3) approve DoD Component requests for FMS obligational authority in a timely manner, and (4) obtain cash advances from FMS customers necessary to liquidate obligations resulting from the use of the budget authority created by the FMS program.

020103. Source Documents. FMS Budget Authority is created through preparation and processing of three formats and two forms:

A. "United States of America Letter of Offer and Acceptance" (LOA). This format, or its equivalent when a deviation has been authorized by the DSCA, is the basic source document which may ultimately result in the creation of FMS budget authority. One of the more common equivalent documents is the Letter of Intent (LOI). The LOA does not in and of itself create budget authority in either the FMS Trust Fund or in a DoD appropriation/fund account. The LOA was revised effective June 1, 1992. The previous version of the form was the DD Form 1513, "United States Department of Defense Offer and Acceptance". Samples of both the old form and the new format are at Tables 2-1 and 2-2. Instructions for preparing the LOA are contained in the SAMM [reference (c)].

B. "United States of America Amendment to Letter of Offer and Acceptance" and "United States of America Modification to Letter of Offer and Acceptance." The amendment is designed to obtain FMS customer acceptance of a scope increase. The modification is a notification document to alert FMS customers of within-scope cost increases, cost decreases, or other minor changes to the program. These documents are used to modify the original LOA and provide the basis for creation of additional FMS Trust Fund budget authority. Samples of the new formats are at Tables 2-3 and 2-4. The old forms which were used prior to June 1, 1992, the DD Form 1513-1, "United States Department of Defense Amendment to Offer and Acceptance" and DD Form 1513-2, "United States Department of Defense Notice of Modification of Offer and Acceptance," are included at Tables 2-5 and 2-6. Amendments and modifications written in the new formats do not alter the terms and conditions of the original DD Form 1513.

C. DD Form 2061, "FMS Planning Directive." This form or automated equivalent is prepared and maintained by the installation tasked by the implementing agency to prepare a LOA. The form is a working paper which serves three major purposes: (1) it provides for the identification of all of the cost elements included in prices reflected on the LOA and thereby helps to assure the case is priced in accordance with DoD pricing policies, (2) it provides a time-phased plan for execution of the LOA upon FMS customer acceptance, and (3) it identifies the appropriations/funds which will be used to finance new procurement or which will realize earned reimbursements through delivery of items from inventory or provision of DoD in-house services. A sample form is at Table 2-7. Instructions for preparing and processing the forms are contained in section 202.

D. DD Form 2060, "FMS Obligational Authority." This form or automated equivalent is prepared based upon data reflected in the DD Form 2061. Part A of the form is prepared at the FMS case level and is the basis for case-level control of obligational authority. Part B of the form identifies the appropriations/funds which have been or will be used to finance the cases reflected in Part A. For reimbursable orders Part B is submitted to the DFAS-DE/I in accordance with paragraph 030301. The DD Form 2060 may be prepared on either an individual case basis or on a multiple case basis. The DD 2060 also is used to convey OA for DoD Components' FMS administrative expenses, logistics support expenses, and contract administration and audit expenses. A sample form is at Table 2-8. Instructions for preparing and processing the form are contained in section 202. Issuance of Budget Authority must be authenticated by manual or electronic signature.

020104. Recognition of Budget Authority by the FMS Trust Fund

A. Establishment of FMS Trust Fund Budget Authority. All accepted LOAs, amendments, and modifications are to be returned by FMS customers to the DFAS-DE/I. Upon receipt of a DD Form 2060 and within the time-frames established by paragraph 020105, the DFAS-DE/I shall review FMS case-level accounting records to determine that: (1) the case is valid, (2) the FMS customer has deposited necessary cash in advance to support the FMS case, and (3) the requested obligational authority does not exceed the dollar values established in the LOA and any applicable amendments or modifications. If these three requirements are met, the DFAS-DE/I shall create FMS Trust Fund budget authority, approve the DD Form 2060, and issue an RBF transaction.

B. Direct Citation. The DD Form 2060, or automated equivalent, shall be used to request commitment/obligation authority for direct cite of the FMS Trust Fund. The DD Form 2060 will be used as a control device, and commitments/obligations shall be limited to the dollar value of approved DD Forms 2060. The accounting procedures will vary depending upon whether detailed contract accounting is performed by the DSCA or by a Military Department.

020105. Recognition of FMS Reimbursable Budget Authority in DoD Appropriation/Fund Accounts

A. Trust Fund Orders for Reimbursable Work. The LOA, amendment, and modification or approved substitute documents do not represent reimbursable orders to performing DoD Components. The approved DD Form 2060, or automated equivalent, is the reimbursable order. The DD Form 2060, Part A, specifies the value of orders which may be credited to appropriations by a DoD Component for each case for a fiscal year. The obligation authority amount for each case may not be exceeded. Reporting violations of this administrative limitation will follow the procedures in DoD Directive 7200.1, "Administrative Control of Appropriations within the Department of Defense" [reference (d)], Volumes 4 and 14 of this Regulation, and section 212 of this Volume.

★ B. When authority to accept reimbursable orders is subject to apportionment, obligations on a reimbursable program may not exceed apportioned amounts of anticipated reimbursement. In the event any portion of approved DD Form 2060 reimbursable budget authority is in excess of apportioned amounts for anticipated reimbursable orders, the excess portion cannot be obligated until an additional apportionment of anticipated reimbursable orders is requested and received through the reapportionment process. A summary of accounts which are subject to apportionment follows:

1. Procurement Accounts - All reimbursable programs are specifically apportioned.

2. R&D Accounts - All reimbursable programs for the Air Force and the Defense Agencies are specifically apportioned. Army and Navy reimbursable programs are

automatically apportioned.

3. Military Pay Accounts - All reimbursable programs for the Army and the Air Force are specifically apportioned. The Marine Corps and the Navy reimbursable programs are automatically apportioned.

4. Operation & Maintenance Accounts - All reimbursable programs are automatically apportioned except for the Defense Agencies.

5. Military Construction Accounts - All reimbursable programs are specifically apportioned except for the Army and the Navy, which are automatically apportioned.

6. DoD Working Capital Funds - Reimbursable programs are partially apportioned. Consult OUSD(C) P/B Revolving Funds Directorate for further guidance.

C. Apportionments and reapportionments for reimbursable programs must be requested by appropriation accounts and fiscal year. An appropriation which is available for obligation for more than one year requires an apportionment for anticipated reimbursable orders in the first year of availability which is to be reduced to the value of orders actually received in the first year. In the subsequent years of availability, a reapportionment for anticipated reimbursable orders is required to accept customer orders which fund within-scope price increases. The reapportionment request for anticipated reimbursable orders in the final year of availability is especially critical because any unused amounts in the reapportionment are automatically available for acceptance of additional reimbursable orders necessary to fund within-scope price increases after the appropriation has lapsed. It should be noted that an apportionment or reapportionment for anticipated reimbursable orders does not constitute authority to incur obligations. The actual customer order must be received and recorded in appropriation accounting records before applicable budget authority may be used.

D. The process by which budget authority is generated is graphically displayed in Table 2-9. The table depicts the relationships among the forms and formats as discussed in the above paragraphs as well as relationships among organizations and the FMS customer at various stages of processing.

★ 020106. FMS Integrated Control System Documents. Table 2-15 is an example of the automated RBI/RBF interface transactions used to notify the DFAS-DE/I of budget authority (BA) request and approval. The DFAS-DE/I is authorized to establish budget authority up to 100 percent of cumulative value of the LOAs, amendments, and modifications. Authority for the contract administration services (CAS) charge and the logistics support charge (LSC) are not distributed to the IAs. Specific details on how to use these transactions are contained in the FMS Integrated Control System (FICS) document.

★

UNITED STATES OF AMERICA LETTER OF OFFER AND ACCEPTANCE

## United States of America

## Letter of Offer and Acceptance (LOA)

[BD-P-BLX]

Based on [BANDEF ltr 2/265 of 10 Apr 92]

Pursuant to the Arms Export Control Act, the Government of the United States (USG) offers to sell to [the Government of Bandaria, Office of the Naval Attache, 252 Massachusetts Ave., NW, Washington, DC 20036] the defense articles or defense services (which may include defense design and construction services) collectively referred to as "items", set forth herein, subject to the provisions, terms, and conditions in this LOA.

This LOA is for [Technical Services for the Standard Missile Program. ]

Estimated Cost: [ \$1,030,000] Initial Deposit: [\$268,750]

Terms of Sale: [Cash prior to delivery/dependable undertaking.]

This offer expires on [22 July 1992]. Unless a request for extension is made by the Purchaser and granted by the USG, the offer will terminate on the expiration date.

This page through page [4], plus Letter of Offer and Acceptance Standard Terms and Conditions attached, are a part of this LOA.

The undersigned are authorized representatives of their Governments and hereby offer and accept, respectively, this LOA:

|                                |                               |
|--------------------------------|-------------------------------|
| _____ [30 May 92]              | _____                         |
| U.S. Signature      Date       | Purchaser Signature      Date |
| <br>[A. R. Smith<br>[Director] | _____                         |
| Typed Name and Title           | Typed Name and Title          |
| <br>[Navy Intl Prgms Office]   | _____                         |
| Implementing Agency            | Agency                        |

|       |       |
|-------|-------|
| _____ | _____ |
| DSAA  | Date  |

Information to be provided by the Purchaser:

Mark For Code \_\_\_\_\_, Freight Forwarder Code \_\_\_\_\_, Purchaser Procuring Agency Code \_\_\_\_\_, Name and Address of the Purchaser's Paying Office

Table 2-1



**UNITED STATES OF AMERICA LETTER OF OFFER AND ACCEPTANCE**  
**(CONTINUED)**

Additional details regarding codes, acronyms, and financial data may be found in attached "Letter of Offer and Acceptance Information".

Items to be Supplies (costs and months for delivery are estimates):

| (1). | (3).                        | (4).     | (5).        | (6).    | (7).    |
|------|-----------------------------|----------|-------------|---------|---------|
| Qty, | Unit of                     | Costs    | SC/MOS/     | Ofr Del |         |
| Itm  | (2).                        |          | TA or       | Rel Trm |         |
| Nbr  | Description/Condition Issue | (a) Unit | (b) Total   | Note    | Cde Cde |
| [001 | M1B 020200M1SSLTA(N)        |          | \$1,000,000 | X(24)   | A 4     |
|      | TECHNICAL SERVICES          |          |             | TA 4    |         |
|      | (Note 1)                    |          |             |         |         |

|      |   |                 |
|------|---|-----------------|
| (8)  | Net Estimated Cost                            | \$[ 1,000,000 ] |
| (9)  | Packing, Crating, and Handling                | \$[ ]           |
| (10) | Administrative Charge                         | \$[ 30,000 ]    |
| (11) | Transportation                                | \$[ ]           |
| (12) | (Specify; e.g., "Supply Support Arrangement") | \$[ ]           |
| (13) | Total Estimated Cost                          | \$[ 1,030,000 ] |

To assist in fiscal planning, the USG provides the following anticipated costs of this LOA:

**ESTIMATED PAYMENT SCHEDULE**

| <u>Payment Date</u> | <u>Quarterly</u> | <u>Cumulative</u> |
|---------------------|------------------|-------------------|
| [Initial Deposit    | \$ 268,750       | \$ 268,750        |
| 15-Dec-92           | 126,875          | 395,625           |
| 15-Mar-93           | 126,875          | 522,500           |
| 15-Jun-93           | 126,875          | 649,375           |
| 15-Sep-93           | 126,875          | 776,250           |
| 15-Dec-93           | 126,875          | 903,125           |
| 15-Mar-94           | 126,875          | 1,030,000 ]       |

Identifier [BD-P-BLX]

Page 2 of [4] pages

**Table 2-1 (Continued)**

**UNITED STATES DEPARTMENT OF DEFENSE OFFER AND  
ACCEPTANCE (DD FORM 1513)**

| <b>UNITED STATES DEPARTMENT OF DEFENSE<br/>OFFER AND ACCEPTANCE</b>  |   |                  |                             | (1) PURCHASER (Name and Address) (ZIP Code)  |                    |   |                                       |                                       |
|--|---|------------------|-----------------------------|--|--------------------|---|---------------------------------------|---------------------------------------|
| (2) PURCHASER'S REFERENCE  |   |                  | (3) CASE IDENTIFIER         |  |                    |   |                                       |                                       |
| <b>OFFER</b>   |   |                  |                             |  |                    |   |                                       |                                       |
| Pursuant to the Arms Export Control Act, the Government of the United States (USG) hereby offers to sell to the above purchaser the defense articles and defense services listed below (hereinafter referred to collectively as "items" and individually as "defense articles" or "services"), subject to the terms contained herein and conditions set forth in Annex A, and to such other special terms and conditions which may be part of, and appended to, this Offer and Acceptance. |   |                  |                             |  |                    |   |                                       |                                       |
| (4) _____<br>Signature (U.S. Dept/Agency Authorized Representative)  |   |                  |                             | (9) _____<br>Countersignature (Office of the Comptroller, DSAA) (Date)                       |                    |   |                                       |                                       |
| (5) _____<br>Typed Name and Title  |   |                  |                             | (10) _____<br>Typed Name and Title   |                    |   |                                       |                                       |
| (6) ADDRESS: _____   |   |                  |                             | (11) DSAA ACCOUNTING ACTIVITY  |                    |   |                                       |                                       |
| (7) DATE: _____  |   |                  |                             |  |                    |   |                                       |                                       |
| (8) THIS OFFER EXPIRES: _____  |   |                  |                             |  |                    |   |                                       |                                       |
| NOTE: This offer must be accepted not later than the date shown in block 8. Within five (5) days of the acceptance, you must notify the Office of the Comptroller, DSAA. Otherwise, this Offer is cancelled and retention of initial deposit by offeror pending disposition instructions shall not be deemed a waiver of such cancellation. Request prompt notification if this offer is rejected.   |   |                  |                             |  |                    |   |                                       |                                       |
| ITEM<br>OR<br>REF.<br>NO.<br>(12)  | ITEM DESCRIPTION<br>(Including Stock Number<br>If applicable)<br>(13) | QUANTITY<br>(14) | UNIT<br>OF<br>ISSUE<br>(15) | ESTIMATED<br>UNIT COST<br>(16)   | TOTAL COST<br>(17) | AVAILA-<br>BILITY<br>AND<br>REMARKS<br>(18) | OFFER<br>RE-<br>LEASE<br>CODE<br>(19) | DE-<br>LIVERY<br>TERM<br>CODE<br>(20) |
|  |   |                  |                             |  |                    |   |                                       |                                       |
| (21) ESTIMATED COST  |   |                  |                             | \$   |                    |   |                                       |                                       |
| (22) ESTIMATED PACKING, CARATING, AND HANDLING COST  |   |                  |                             | \$   |                    |   |                                       |                                       |
| (23) ESTIMATED GENERAL ADMINISTRATIVE COSTS  |   |                  |                             | \$   |                    |   |                                       |                                       |
| (24) ESTIMATED CHARGES FOR SUPPLY SUPPORT ARRANGEMENT  |   |                  |                             | \$   |                    |   |                                       |                                       |
| (25) OTHER ESTIMATED COSTS<br>(Specify)  |   |                  |                             | \$   |                    |   |                                       |                                       |
| (26) ESTIMATED TOTAL COSTS   |   |                  |                             | \$   |                    |   |                                       |                                       |
| (27) TERMS   |   |                  |                             | (28) AMOUNT OF INITIAL DEPOSIT - \$  |                    |   |                                       |                                       |
| <b>ACCEPTANCE</b>  |   |                  |                             |  |                    |   |                                       |                                       |
| (29) I am a duly authorized representative of the Government of _____<br>and upon behalf of said<br>Government, accept this offer under the terms and conditions contained<br>herein (30) this _____ day of _____, 19____  |   |                  |                             | (33) MARK FOR CODE _____<br>(34) FREIGHT FORWARDER CODE _____<br>(35) PROCURING AGENCY _____ |                    |   |                                       |                                       |
| (31) _____<br>SIGNATURE  |   |                  |                             | (36) DESIGNATED PAYING OFFICE  |                    |   |                                       |                                       |
| (32) _____<br>TYPED NAME AND TITLE   |   |                  |                             | (37) ADDRESS OF DESIGNATED PAYING OFFICE   |                    |   |                                       |                                       |

Table 2-2

★

**UNITED STATES OF AMERICA AMENDMENT TO LETTER OF  
OFFER AND ACCEPTANCE**

**United States of America**

**Amendment to Letter of Offer and Acceptance**

[BD-P-BLX]

Based on [BANDEF ltr 2/343 of 12 Aug 92]

Pursuant to the Arms Export Control Act, the Government of the United States (USG) offers to amend the Letter of Offer and Acceptance (LOA) identified above for the purchase of defense articles, defense services, or both. Other provisions, terms, and conditions of the original LOA remain unchanged.

This Amendment is for: [Extends Basic LOA Item 1 period of availability . Purchaser request, extends period of performance for 12 months. Basic LOA accepted 18 Jul 92.]

Estimated Cost: [ \$1,545,000]                      Initial Deposit: [ \$134,375]  
Terms of Sale: [Cash prior to delivery/dependable undertaking.]

This offer expires on [5 December 1992]. Unless a request for extension is made by the Purchaser and granted by the USG, this offer will terminate on the expiration date.

This page through page [3] attached are a part of this Amendment.

The undersigned are duly authorized representatives of their Governments and hereby respectively offer and accept this Amendment:

|  |  |
|--|--|
| _____ [5 Sep 92]<br>U.S. Signature                      Date         | _____<br>Purchaser Signature                      Date |
| [A. R. Smith<br>[Director]<br>_____<br>Typed Name and Title          | _____<br>Typed Name and Title                          |
| [Navy International Programs Office]<br>_____<br>Implementing Agency | _____<br>Agency  |
| _____<br>DSAA                      Date                              |  |

**Table 2-3**

UNITED STATES OF AMERICA AMENDMENT TO LETTER OF OFFER AND ACCEPTANCE

[This Amendment consists of changes as follows:

| (1).<br>Itm<br>Nbr | (2).<br>Item Description                               | (3).<br>Qty.<br>Unit of<br>Issue | (4).<br>Costs<br>(a) Unit<br>(b) Total | (5).<br>SC/MOS/<br>TA or<br>Note | (6). (7).<br>Ofr Del<br>Rel Trm<br>Cde Cde |
|--------------------|--|----------------------------------|--|----------------------------------|--|
| <u>Previous</u>    |  |                                  |  |                                  |  |
| 001                | M1B 020200M1SSLTA(N)<br>TECHNICAL SERVICES<br>(Note 1) |                                  | 1,000,000                              | X(24)<br>TA 4                    | A 4  |

Revised

|     |  |  |           |               |     |
|-----|--|--|-----------|---------------|-----|
| 001 | M1B 020200M1SSLTA(N)<br>TECHNICAL SERVICES<br>(Note 1) |  | 1,500,000 | X(36)<br>TA 4 | A 4 |
|-----|--|--|-----------|---------------|-----|

|  | <u>Previous</u> | <u>Revised</u> |
|--|-----------------|----------------|
| (8) Net Estimated Cost                             | \$ 1,000,000    | \$ 1,500,000   |
| (9) Packing, Crating, and Handling                 |                 |                |
| (10) Administrative Charge                         | 30,000          | 45,000         |
| (11) Transportation                                |                 |                |
| (12) (Specify; e.g., "Supply Support Arrangement") |                 |                |
| (13) Total Estimated Cost                          | 1,030,000       | 1,545,000      |

To assist in fiscal planning, the USG provides the following revised anticipated costs of this LOA:

| <u>Payment Date</u> | <u>Quarterly</u> | <u>Cumulative</u> |
|---------------------|------------------|-------------------|
| Cumulative to Date  | NA               | \$ 395,625        |
| [Initial Deposit    | \$ 134,375       | 530,000           |
| 15-Jun-93           | 126,875          | 656,875           |
| 15-Sep-93           | 126,875          | 783,750           |
| 15-Dec-93           | 126,875          | 910,625           |
| 15-Mar-94           | 126,875          | 1,037,500         |
| 15-Jun-94           | 126,875          | 1,164,375         |
| 15-Sep-94           | 126,875          | 1,291,250         |
| 15-Dec-94           | 126,875          | 1,418,125         |
| 15-Mar-95           | 126,875          | 1,545,000 ]       |

Identifier [BD-P-BLX]

Page 2 of [3] pages

Table 2-3 (Continued)

★ September 1999

**★ UNITED STATES OF AMERICA MODIFICATION TO OFFER AND ACCEPTANCE**

United States of America

### Modification [1] to Letter of Offer and Acceptance

[BD-P-BLX]

Based on [cost adjustments due to experience during program execution.]

Pursuant to the Arms Export Control Act, the Government of the United States (USG) hereby notifies the Purchaser of Modification of the Letter of Offer and Acceptance (LOA) identified above. All other terms and conditions of the LOA remain unchanged.

This Modification is for: [Cost adjustments to Amendment Item Number 1 based on experience while executing the program. LOA accepted 18 Jul 92.]

Estimated Cost: [ \$1,442,000] Initial Deposit: [ \$ -0- ]  
 Terms of Sale: [Cash prior to delivery/dependable undertaking.]

This page through page [3] attached are part of this Modification.

The undersigned are duly authorized representatives of their Governments and hereby respectively furnish and acknowledge receipt of this Modification:

|                                      |             |                             |             |
|--------------------------------------|-------------|-----------------------------|-------------|
| <u>18 Jan 93</u>                     |             |                             |             |
| <u>U.S. Signature</u>                | <u>Date</u> | <u>Purchaser Signature</u>  | <u>Date</u> |
| [A. R. Smith]                        |             |                             |             |
| [Director]                           |             |                             |             |
| <u>Typed Name and Title</u>          |             | <u>Typed Name and Title</u> |             |
| [Navy International Programs Office] |             |                             |             |
| <u>Implementing Agency</u>           |             | <u>Agency</u>               |             |
| <u>DSAA</u>                          | <u>Date</u> |                             |             |

### Table 2-4

UNITED STATES OF AMERICA MODIFICATION TO OFFER AND ACCEPTANCE

[This Modification provides notification of changes as follows:

| (1).<br>Itm<br>Nbr | (2).<br>Item Description | (3).<br>Qty,<br>Unit of<br>Issue | (4).<br>Costs<br>(a) Unit<br>(b) Total | (5).<br>SC/MOS/<br>TA or<br>Note | (6). (7).<br>Ofr Del<br>Rel Trm<br>Cde Cde |
|--------------------|--------------------------|----------------------------------|--|----------------------------------|--|
|--------------------|--------------------------|----------------------------------|--|----------------------------------|--|

Previous

|     |  |  |           |               |     |
|-----|--|--|-----------|---------------|-----|
| 001 | M1B 020200M1SSLTA(N)<br>TECHNICAL SERVICES<br>(Note 1) |  | 1,500,000 | X(36)<br>TA 4 | A 4 |
|-----|--|--|-----------|---------------|-----|

Revised

|     |  |  |           |               |     |
|-----|--|--|-----------|---------------|-----|
| 001 | M1B 020200M1SSLTA(N)<br>TECHNICAL SERVICES<br>(Note 1) |  | 1,400,000 | X(36)<br>TA 4 | A 4 |
|-----|--|--|-----------|---------------|-----|

|   | <u>Previous</u> | <u>Revised</u> |
|---|-----------------|----------------|
| (8) Net Estimated Cost                  | \$ 1,500,000    | \$ 1,400,000   |
| (9) Packing, Crating, and Handling      |                 |                |
| (10) Administrative Charge              | 45,000          | 42,000         |
| (11) Transportation                     |                 |                |
| (12) (Specify; e.g., "Supply Spt Agmt") |                 |                |
| (13) Total Estimated Cost               | 1,545,000       | 1,442,000      |

To assist in fiscal planning, the USG provides the following revised anticipated costs of this LOA:

| <u>Payment Date</u> | <u>Quarterly</u> | <u>Cumulative</u> |
|---------------------|------------------|-------------------|
| Cumulative to Date  |                  | \$ 529,990        |
| [Initial Deposit    | -0-              | 529,990           |
| 15-Jun-93           | 83,091           | 613,081           |
| 15-Sep-93           | 118,417          | 731,498           |
| 15-Dec-93           | 118,417          | 849,915           |
| 15-Mar-94           | 118,417          | 968,332           |
| 15-Jun-94           | 118,417          | 1,086,749         |
| 15-Sep-94           | 118,417          | 1,205,166         |
| 15-Dec-94           | 118,417          | 1,323,583         |
| 15-Mar-95           | 118,417          | 1,442,000 ]       |

Signed Copy Distribution:

1. Upon acknowledgement of receipt, the Purchaser should return one signed copy of this Modification to Defense Finance and Accounting Service (DFAS), ATTN: DFAS-DE/I, Denver, CO 80279-2000.

2. One signed copy should also be returned to [Department of the Navy, Navy International Programs Office, Washington, DC 20350-5000.]

Identifier [BD-P-BLX]

Page 2 of [3] pages

Table 2-4 (Continued)

★ September 1999

**UNITED STATES DEPARTMENT OF DEFENSE AMENDMENT TO OFFER AND  
ACCEPTANCE (DD FORM 1513-1)**

[illegible]

### Table 2-5

**UNITED STATES DEPARTMENT OF DEFENSE NOTICE OF MODIFICATION OF  
OFFER AND ACCEPTANCE (DD FORM 1513-2)**

|  |   |                   |  |   |                    |                             |
|--|---|-------------------|--|---|--------------------|-----------------------------|
| <b>UNITED STATES DEPARTMENT OF DEFENSE<br/>NOTICE OF MODIFICATION OF OFFER AND ACCEPTANCE</b>  |   |                   |  | (1) PURCHASER (Name and Address) (ZIP Code) |                    |                             |
| (2) PURCHASER'S REFERENCE  |   | (3) NOTICE NO.    | (4) CASE IDENTIFIER  |   |                    |                             |
| <b>NOTICE OF MODIFICATION</b>  |   |                   |  |   |                    |                             |
| Pursuant to the Arms Export Control Act, the Government of the United States (USG) hereby notifies the purchaser of modification of the above designated case. All other terms and conditions of the original case remain unchanged. |   |                   |  |   |                    |                             |
| (5) _____<br>Signature (U.S. Dept/Agency Authorized Representative)  |   |                   | (9) _____<br>Countersignature (Office of the Comptroller, DSAA) (Date) |   |                    |                             |
| (6) _____<br>Typed Name and Title  |   |                   | (10) _____<br>Typed Name and Title                                     |   |                    |                             |
| (7) ADDRESS: _____   |   |                   |  |   |                    |                             |
| (8) DATE: _____  |   |                   |  |   |                    |                             |
| (11) DESCRIPTION AND REASON(S) FOR MODIFICATION  |   |                   |  |   |                    |                             |
| ITEM OR<br>REF NO.   | ITEM DESCRIPTION<br>(Including Stock Number, if applicable) | QUANTITY          | UNIT<br>OF<br>ISSUE  | ESTIMATED                                   |                    | AVAILABILITY<br>AND REMARKS |
| (12)   | (13)  | (14)              | (15)   | UNIT COST<br>(16)                           | TOTAL COST<br>(17) | (18)                        |
|  |   |                   |  |   |                    |                             |
| RECAPITULATION OF TOTAL DD FORM 1513 (Or 1513-1)   |   | (a) PREVIOUS COST |  | (b) REVISED COST                            |                    |                             |
| (19) ESTIMATED COST  |   | \$                |  | \$  |                    |                             |
| (20) ESTIMATED PACKING, CARATING, AND<br>HANDLING COSTS  |   | \$                |  | \$  |                    |                             |
| (21) ESTIMATED GENERAL<br>ADMINISTRATIVE COSTS   |   | \$                |  | \$  |                    |                             |
| (22) ESTIMATED CHARGES FOR SUPPLY<br>SUPPORT ARRANGEMENT   |   | \$                |  | \$  |                    |                             |
| (23) OTHER ESTIMATED COSTS (Specify)   |   | \$                |  | \$  |                    |                             |
| (24) ESTIMATED TOTAL COSTS   |   | \$                |  | \$  |                    |                             |
| <b>ACKNOWLEDGEMENT OF RECEIPT</b>  |   |                   |  |   |                    |                             |
| (25) I am a duly authorized representative of the Government of _____ and upon behalf of said<br>Government, acknowledge receipt of this notice of modification (26) this _____ day of _____ 19 ____.                                |   |                   |  |   |                    |                             |
| (27) TYPED NAME AND TITLE  |   |                   |  | (28) SIGNATURE                              |                    |                             |

Table 2-6



**UNITED STATES DEPARTMENT OF DEFENSE NOTICE OF MODIFICATION OF  
OFFER AND ACCEPTANCE (DD FORM 1513-2, CONTINUED)**

(29) CONTINUATION

**REMARKS**

1. DD Form 1513-2 is utilized to record modifications to an existing DD Form 1513 and any related amendments thereto, but only for those modifications which do not constitute a change in scope. Modifications appropriate for DD Form 1513-2 include all notifications of price increases and related changes in payment schedules.
2. Changes in scope of a DD Form 1513 require a formal amendment, utilizing DD Form 1513-1. Such changes are those which affect the type or number of major items and/or services to be provided or which significantly alter system configuration or functions. Such changes must be made by utilization of DD Form 1513-1.
3. DD Form 1513-2 does not require acceptance by the recipient country (customer) but merely acknowledgement of receipt. (DD Form 1513-1 does require acceptance).
4. All terms and conditions of an existing DD Form 1513 and any related amendments thereto not specifically noted to be modified by a DD Form 1513-2 are understood to remain unchanged and in effect.

**Table 2-6 (Continued)**

FMS PLANNING DIRECTIVE (DD FORM 2061)

| FMS PLANNING DIRECTIVE   |                     |     |  |                      |                   |   |                              |                           |                        |                         |                           |                        |       |  |                                       |   |
|--|---------------------|-----|--|----------------------|-------------------|---|------------------------------|---------------------------|------------------------|-------------------------|---------------------------|------------------------|-------|--|---------------------------------------|---|
| (1) FMS Case No. _____<br>(2) FMS Case Submitted to Foreign Government _____<br>(3) Date Offer Expires _____<br>(4) Date Case Accepted by Foreign Government _____ |                     |     | (5) Total Case Value _____<br>(6) Control Number _____<br>(7) Date Prepared _____<br>(8) DoD Component _____ |                      |                   | (16)  |                              | (15)                      | (14)                   | (13)                    | (12)                      | (11)                   | (10)  | (9)  |                                       |   |
| Case<br>Item<br>No   | Item<br>Description | Qty | Pricing<br>Elements  | Financing<br>Approv. | Estimated<br>Cost | Direct Cite/<br>Oblig Auth Rec'd<br>to Date ( ) | Funding Required to Date ( ) |                           |                        | Obligations<br>Incurred | Unobligatd<br>Commitments | Items<br>from<br>Stock | Total | (17)<br>Current<br>FY ( )<br>Funding<br>Plan | (18)<br>Remaining<br>Program<br>Value | (19)<br>Budget<br>Year ( )<br>Funding<br>Plan |
|  |                     |     |  |                      |                   |   | Obligations<br>Incurred      | Unobligatd<br>Commitments | Items<br>from<br>Stock |                         |                           |                        |       |  |                                       |   |
|  |                     |     |  |                      |                   |   |                              |                           |                        |                         |                           |                        |       |  |                                       |   |

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Table 2-7

FMS OBLIGATIONAL AUTHORITY (DD FORM 2060)

| FMS OBLIGATIONAL AUTHORITY   |                            |  |                             |                 |                 |                 |                  |                      |                     |                                       |
|--|----------------------------|--|-----------------------------|-----------------|-----------------|-----------------|------------------|----------------------|---------------------|---------------------------------------|
| (1) Performing Component _____   |                            |  |                             |                 |                 |                 |                  |                      |                     |                                       |
| (2) Period Covered _____   |                            |  |                             |                 |                 |                 |                  |                      |                     |                                       |
| FMS Case Commitment/Obligation Authority   |                            |  |                             |                 |                 |                 |                  |                      |                     |                                       |
| (3)<br>FMS Planning<br>Directive   | (4)<br>Total<br>Case Value | (5)<br>Amount to<br>Be Held in<br>Trust Fund | (6)<br>Net<br>Case<br>Value | (7) Received    |                 |                 | (9)<br>Withdrawn | (10)<br>Reimbursable | (11)<br>Direct Cite | (12)<br>Remaining<br>Program<br>Value |
|  |                            |  |                             | (8)<br>Required | (8)<br>Required | (8)<br>Required |                  |                      |                     |                                       |
| (13) Balance<br>brought fwd.   |                            |  |                             |                 |                 |                 |                  |                      |                     |                                       |
| (14) Case Total  |                            |  |                             |                 |                 |                 |                  |                      |                     |                                       |
| (15) Admin Expense   |                            |  |                             |                 |                 |                 |                  |                      |                     |                                       |
| (16) Total   |                            |  |                             |                 |                 |                 |                  |                      |                     |                                       |
| PART B: Financing Accounts   |                            |  |                             |                 |                 |                 |                  |                      |                     |                                       |
| (17) Appropriation Title   | (18) Account Symbol        |  |                             |                 |                 |                 |                  |                      |                     |                                       |
| (19) Balance Brought Forward   |                            |  |                             |                 |                 |                 |                  |                      |                     |                                       |
| (20) Obligational Authority  |                            |  |                             |                 |                 |                 |                  |                      |                     |                                       |
| <p>(21) We will accept (1) orders to be performed on a reimbursable basis in the amounts shown in column 10, (2) authority for a direct cite against 97-11X3242 for amounts designated (C) in column 11, and (3) allotments in amounts designated (A) in column 11.</p> <p>(22) In approving this form, we hereby issue (1) reimbursable orders on a case-by-case basis as shown in column 10, (2) authority for performance on a direct cite basis for the total of the amounts designated (C) in column 11 but not to exceed the amounts specified by case, and (3) an allotment for the total of the amounts designated (A) in column 11 but not to exceed the amounts specified by case.</p> |                            |  |                             |                 |                 |                 |                  |                      |                     |                                       |
| <p>Name of Accepting/Requesting Official _____</p> <p>Name of Officing/Approving Official _____</p> <p>(23) Approval Control No. _____</p>   |                            |  |                             |                 |                 |                 |                  |                      |                     |                                       |

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Table 2-8

GENERATION OF BUDGET AUTHORITY (NEW CASES)

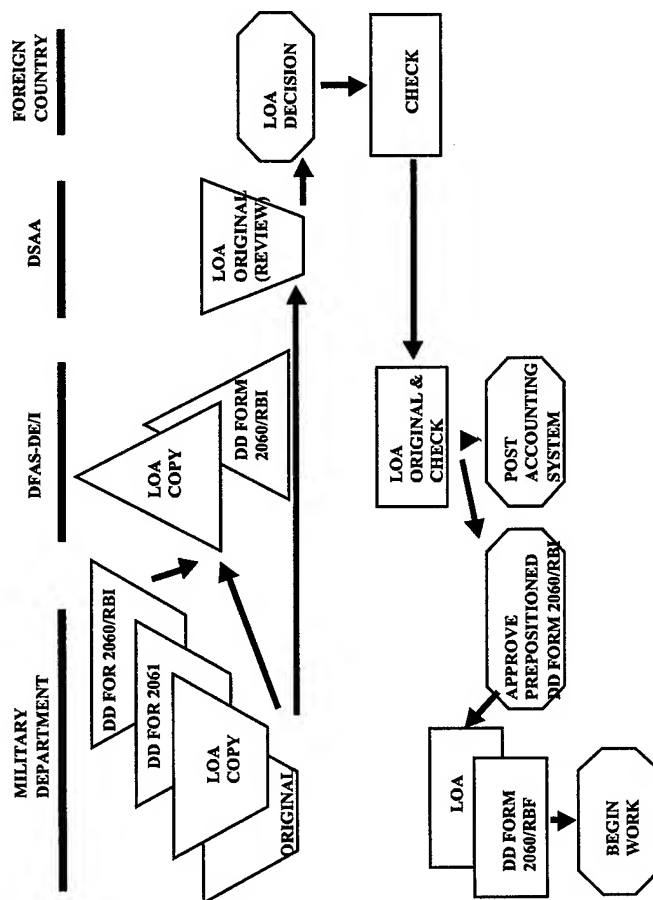


Table 2-9

0202 PREPARATION AND PROCESSING OF DD FORMS 2061 AND 2060 FOR OTHER THAN COOPERATIVE LOGISTICS SUPPLY SUPPORT ARRANGEMENTS (CLSSAs)

★ 020201. General. DD Forms 2061 and 2060 shall be prepared for each case and updated as necessary. The manual forms or automated equivalent are required for all cases in the process of implementation and for all new cases that have been submitted to FMS customers for acceptance. The DD Form 2061 reflects detailed pricing elements, planned financing appropriations (or direct citation), obligational authority required for the current year, and an estimate of obligational authority for the budget year. The DD Form 2061 and DD Form 2060 shall be developed initially at the time the LOA data is prepared. The DD Form 2060 shall be included with the LOA package and the DD Form 2061 retained by the implementing agency as work paper backup for the LOA package. Activities, from whom articles or services will be furnished in fulfilling case requirements, shall provide the case manager the necessary data to accomplish his or her responsibilities. The case manager must ensure that all applicable nonrecurring research, development and production costs are included in the LOA package and identified for reimbursement to the appropriate Miscellaneous Receipts Account in the DD Form 2060, Part B. The initial DD Form 2061 may be an abbreviated financial analysis. However, as execution begins the DD Form 2061 must be expanded to encompass all required cost elements and data. DD Forms 2061 and DD Form 2060 shall also be prepared:

A. In support of requests for amendments and modifications reflecting financial impact.

B. In support of price changes of less than 10 percent of the estimated cost of articles and services (utilizing the most recently approved document).

C. In support of significant variation in performing accounts discovered subsequent to case implementation. "Significant" will be interpreted as \$100,000 between reimbursable accounts or between direct cite and reimbursable accounts.

D. In support of changes in current year obligational authority (OA) requirements within the net case value as reflected on the most recently approved DD Form 2061 and DD Form 2060.

E. As necessary, to ensure adequate OA is available in the budget year before commencement of that year.

F. At case closure.

020202. Preparation of DD Forms 2061 and 2060. All DD Forms 2061 and 2060 or automated equivalents are cumulative documents. Therefore, case managers shall maintain an audit trail that will relate each form to its predecessor.

A. To ensure positive control over the flow of documentation, the case managers shall assign and maintain a system of control numbers, composed of the FMS customer

country code, case designator, Julian Date, and serial number; for example, BC-ADK-79181 03. Specific guidance on the construction of the control number is provided in Table 2-10.

B. All amounts on DD Form 2061 and DD Form 2060 will be in dollars and cents (United States currency).

C. Before the end of each fiscal year, unless real time DD Form 2060 procedures are in effect, the implementing agency shall submit a consolidated DD Form 2060 roll-up to the DFAS-DE/I requesting budget year obligational authority. This roll-up of case data will be based on information taken from Column 19 "Budget Year ( ) Funding Plan," of the DD Form 2061 and is necessary to ensure that case execution is not delayed due to funding problems.

D. Each case manager preparing the year-end DD Form 2060 shall identify the obligational authority requirements through the end of the upcoming fiscal year. If it is determined that the sum of the budget year, current year, and prior year requirements exceed the case materiel value, the case manager shall initiate action for the processing of a case amendment, modification, or less-than-10 percent increase, as appropriate.

E. In addition, case managers shall scrutinize financial performance on a continuing basis to ensure the availability of sufficient obligational authority for both the current fiscal year and completion of the case.

F. Tables 2-10 through 2-14 provide procedural guidance and examples to be used preparing DD Form 2061 and 2060 or automated equivalent. Table 2-10 shows DD Form 2061 preparation procedures. The various pricing elements and related appropriations and funds required to prepare a DD Form 2061 are listed and explained in Table 2-11. Table 2-12 contains examples of DD Form 2061 pricing element and funding entries for typical FMS cases. Procedures for completing a DD Form 2060 are in Table 2-13 and an example of a completed DD Form 2060 is illustrated in Table 2-14.

G. Table 2-15 describes the automated RBI/RBF Interface Transaction used to report, request, and approve budget authority from the implementing agencies to the DFAS-DE/I. This procedure is the primary means of transmission of budget information ensuring positive control of data.

020203. Prior Versions of LOAs. Instructions on the following pages are for the illustrative DD Form 2061 used in this Volume and are keyed to the current versions of the LOA. When using older versions of the form, the block numbers will vary.

★ DD FORM 2061 COMPLETION PROCEDURES (Table 2-10)

Note: The term "LOA" as used herein refers to the most recent LOA, amendment, or modification accepted or acknowledged by the foreign government.

| <u>Line/<br/>Col.</u> | <u>Description</u>                           | <u>Procedures</u>   |
|-----------------------|--|---|
| 1                     | FMS Case Number<br>BC-P-ADK                  | Perpetuate LOAs. Use the format in Table 2-12 or an automated equivalent.   |
| 2                     | Date LOA Submitted to<br>Foreign Government  | Obtain from date of LOA.  |
| 3                     | Date Offer Expires                           | Obtain from expiration date of LOA.   |
| 4                     | Date Case Accepted by<br>Foreign Government. | Obtain from acceptance date of LOA.   |
| 5                     | Total Case Value                             | Must agree with total of Column 14 and "Estimated Total Costs" of LOA.  |
| 6                     | Control Number                               | Consists of country code, case designator, Julian date (YYDDD), and a two-digit sequential number. Initial DD Form 2061 will use sequential number 01, with each succeeding submission using 02, 03, etc. The Julian date must agree with the data entered on line 7. Use the format BD-ADK-79346 01. |
| 7                     | Date Prepared                                | Date formally prepared. Must agree with Julian date used in control number. Use the format 12 Dec 1998.   |
| 8                     | DoD Component/<br>Case Manager               | Enter the DoD Component, followed by the case manager's name, organization, and DSN number, that is, Navy, J. Smith, NAVAIR, 222-7890   |
| 9                     | Case Item Number                             | This entry must match the entries on the LOA.   |
| 10                    | Item Description                             | This entry must match the item description on the LOA. Abbreviated titles should be used. However, when information is classified, enter "Classified-Refer to LOA."   |
| 11                    | Quantity                                     | This entry must match exactly the entries on the LOA. Columns 9, 10, and 11 should show no further breakdown than is or will be reflected on the LOA.   |
| 12                    | Pricing Elements                             | This column will be used to provide breakdown of the cost of the article or service by pricing element using codes provided by Table 2-11.  |
| 13                    | Financing Approp-<br>riation                 | For each pricing element, Column 12, enter the first impacted appropriation (the financing appropriation) or  |

| <u>Line/Col.</u>   | <u>Description</u>  | <u>Procedures</u>   |
|--|---|---|
|  |   | fund for reimbursable actions; or enter "DC" for Direct Citation (for example, when the FMS Trust Fund will be directly cited on obligation documents). More than one appropriation may be entered for some pricing elements. Annual appropriations will reflect the applicable fiscal year.  |
| 14   | Estimated Cost  | Enter the estimated cost (priced in accordance with Chapter 7) for each financing appropriation, Column 13. For each item number with multiple entries in Columns 13 and 14, enter "Item No. Costs" in Column 13 after the last entry and the sum (subtotal) of the estimated costs for that item in Column 14. This sum must equal the line item total cost to be reflected on proposed LOA, amendment, or modification. For less than 10% increases, this amount will reflect the adjusted cost of the article or service. For each item number citing a single financing appropriation, the entry in Column 14 should be the cost of the item. |
| 15   | Direct Cite/Obligational Authority received to date most recent prior fiscal year (e.g. FY97 during FY98) | Leave blank if case was not implemented in a prior fiscal year. Enter, by financing appropriation Column 13, the amount of obligational authority issued by the DFAS-DE/I through the end of the prior fiscal year. Column 15 should be adjusted for withdrawals of unused obligational authority at the end of the previous year.  |
| 16   | Funding Required to Date (same fiscal year entered in Column 15)  | Leave blank if case was not implemented in a prior fiscal year. Columns 16a, 16b, and 16c provide a horizontal breakdown of amounts entered in Column 16d.  |
| 16a  | Obligations Incurred  |   |
| 16b  | Unobligated Commitments   |   |
| 16c  | Items from Stock  |   |
| 16d  | TOTAL   | Enter, by financing appropriation in Column 13, the obligational authority committed through the end of the prior fiscal year.  |
| <p><u>Note:</u> On successive DD Forms 2061 in the same fiscal year, Columns 15 and 16 are constant and reflect the status by financing appropriation as of September 30 of the prior fiscal year. These entries, in total, must agree with the entries in Columns 7 and 8, respectively, of the annual consolidated DD Form 2060.</p> |   |   |
| 17   | Current FY ( )<br>Funding Plan  | Enter the current fiscal year in the parentheses, e.g., (1998). For a new case in which obligational authority will not be required until a subsequent fiscal year, Column 17 should  |

Table 2-10 (Continued)



| <u>Line/Description</u><br><u>Col.</u>  | <u>Procedures</u>   |
|---|---|
|   | reflect that subsequent year as the current fiscal year. Enter, by financing appropriation, the current FY obligational authority requirements. On successive DD Forms 2061, these figures are cumulative.  |
| 18      Remaining Program Value   | Enter, by financing appropriation, the result of Column 14 minus the "total" of Column 16 minus column 17. This entry must not be a negative amount.  |
| 19      Budget Year ( )<br>Funding Plan   | Enter the fiscal year following the year shown in Column 17. Enter, by financing appropriation, the budget year obligational authority requirements. Amounts shown in Column 19 must not exceed the amounts shown in Column 18.   |
| SUBTOTALS   |   |
| If the DD Form 2061 is prepared in support of a request for an increase of less than 10%, the following two lines will also be entered. |   |
| 10 and      Subtotal<br>14-19   | Enter "Subtotal" and the vertical sums of Columns 14 through 19. Check sums horizontally. Columns 14=16+17+18.  |
| 10, 14,      Less than 10%<br>and 18      increase  | Enter "Less than 10% increase." In Columns 14 and 18, enter the amount of the cumulative net increase in the total materiel/services value.   |
| 10 and      Net Case Value<br>14-19   | Enter "Net Case Value" and the vertical sums of columns 14 through 19. Column 14 should agree with the "Estimated Cost" of the LOA. Check sums horizontally. Columns 14=16+17+18.   |
| 10,      PC&H (if applic-<br>12-14,      able)<br>and 18  | Enter "PC&H (___%)," Pricing element "OS," and Financing Appropriation "TF." Columns 10, 14, and 18 should be completed with the proper rate and amount as computed in accordance with Chapter 7. PC&H charges were discontinued for DoD Working Capital Funds items effective October 1, 1990. |
| 10,      Admin (if applic-<br>12-14,      able)<br>and 18   | Enter "ADMIN (___%)," Pricing element "OS," and Financing Appropriation "TF." Columns 10, 14, and 18 should be completed with the proper rate and amount as computed in accordance with Chapter 7.  |

Table 2-10 (Continued)

| <u>Line/Col.</u>  | <u>Description</u>   | <u>Procedures</u>   |
|---|--|---|
| 10,<br>12-14,<br>and 18   | Transportation<br>(if applicable)  | Enter "TRANS (___%)," and/or Parc. Post (___%)," as appropriate, Pricing element "OS," and Financing Appropriation "TF." Columns 10, 14, and 18 should be completed with the proper rate(s) and amount(s) as computed in accordance with Chapter 7. |
|   |  | <u>Note:</u> Different rates may be used if partial delivery was made prior to April 13, 1978. The rate to be charged is the rate in effect at the time of delivery.  |
| 10,<br>12-14,<br>and 18   | Stock issue asset<br>use (if applicable)<br>for cases implemented<br>after Sep 30, 1979 and<br>all DD Form 2060/2061<br>submissions subsequent to<br>that date up to Nov 30, 1989) | Enter "SIAU (1%)," Pricing Element "AU," Financing Appropriation "TF." In Columns 14 and 18, enter the amount computed in accordance with Chapter 7. Discontinued November 30, 1989.  |
| 10 and<br>14-19   | Total Case Value   | Enter "Total Case Value" and the vertical sum of Columns 14 through 19 for "Net Case Value" and PCH&T, Admin, Storage, and SIAU. Check sums horizontally. Columns 14=16+17+18. Column 14 should match the "Total Estimated Cost" line of the LOA.   |
| 10  | Summary  | Enter "Summary:"  |
| 10,<br>14-19  | Reimbursable<br>Program  | As applicable, enter "Reimbursable Program" in Column 10. Sum columns 14 through 19 for all entries with other than "DC" or "TF" in Column 13.  |
| 10,<br>14-19  | Direct Cite<br>Program   | As applicable, enter "Direct Cite Program" in column 10. Sum columns 14 through 19 for all entries with "DC" in Column 13.  |
| If the DD Form 2061 is prepared in support of a less than 10% increase, the following two lines will also be entered: |  |   |
| 10,<br>14-19  | Subtotal   | Enter "Subtotal" in Column 10. Sum "Reimbursable Program" and "Direct Cite Program," Columns 14 through 19.   |
| 10, 14,<br>and 18   | Less than 10%<br>increase  | Enter "Less than 10% increase" in Column 10. In Columns 14 and 18, enter the negative amount of the cumulative net increase in the total materiel/services value.   |
| 10,<br>14-19  | Net Case Value   | Enter "Net Case Value" in column 10. Sum "Reimbursable Program" and "Direct Cite Program," or, if applicable, "Subtotal" and "Less than 10% increase," Columns 14 through 19.   |

Table 2-10 (Continued)

| <u>Line/Col.</u> | <u>Description</u> | <u>Procedures</u> |
|------------------|--------------------|-------------------|
|------------------|--------------------|-------------------|

|                   |                       |  |
|-------------------|-----------------------|--|
| 10, 14,<br>and 18 | PCH&T, Admin,<br>etc. | If applicable, enter "PC&H," "PCH&T," "Admin,"<br>"Trans," and "Storage" in Column 10.<br>Sum Columns 14 and 18 for all entries with "TF"<br>in Column 13.   |
| 10,<br>14-19      | Total Case Value      | Enter "Total Case Value" in Column 10. Sum "Net<br>Case Value," "PC&H," "Trans," "PCH&T,"<br>"Admin," and "Storage" lines (as entered<br>from above procedure) for Columns 14 through 19.<br>Check sums horizontally. Columns 14=16+17+18.<br>Check to insure that each column total matches<br>the sum entered on the previous "Total Case Value" line. |

Table 2-10 (Continued)

★ PRICING ELEMENTS AND THEIR FINANCING APPROPRIATIONS (Table 2-11)

| <u>Pricing Element</u> | <u>Description</u>   | <u>Appropriation or Fund</u>   | <u>Description</u>  |
|------------------------|--|--|---|
| AT                     | Attrition<br>978242.8209   | FMS Trust Fund   | Funds collected to cover equipment damaged beyond repair by foreign students.   |
| AU                     | Asset Use<br>Charges/ Contractor Rental<br>Payments  | SDAF or Miscellaneous Receipt<br>Account 3041, as<br>applicable                                    | Applied as a percentage of the direct costs being billed and is in lieu of separate computations for charges required to be applied in order to recover taxpayer investment (sunk cost) in inventory or facilities (see Chapter 7). Note: Discontinued effective with all deliveries reported to the DFAS-DE/I after December 1989. |
| CC                     | Contract Cost  | Direct citation of<br>FMS Trust Fund<br>or applicable<br>appropriation/fund<br>symbol (see Chap 1) | Cost of defense articles or services being supplied from procurement.   |
| CP                     | Services of<br>Civilian<br>Personnel   | Applicable appropriation/fund (O&M, RDT&E, or DoD Working Capital Funds)                           | Cost of civilian personnel services (including cost of fringe benefits reimbursed to the performing account and accelerated for leave and holidays when applicable) (see Chapter 7).  |
| CR                     | Civilian<br>Retirement<br>Funded by<br>DoD   | Applicable appropriation/fund (O&M, RDT&E, or DoD Working Capital Funds)                           | This is an optional code that identifies the cost of civilian retirement benefits reimbursable to the performing account. Computed on basis of prescribed acceleration factors (see Chapter 7). This cost element may be included as part of CP.  |
| CD                     | Civilian<br>Retirement<br>Not Funded<br>by DoD   | Miscellaneous<br>Receipt Account<br>3041   | Cost of civilian retirement benefits not reimbursable to the performing account. Computed on basis of prescribed acceleration factors (see Chapter 7).  |
| CS                     | Contract Audit<br>Support (for FY of Performing<br>1980 and prior,<br>applies to FMS<br>and commercial<br>contracts; after<br>FY 1980, applies<br>to commercial<br>contracts only) | O&M Appropriation<br>of a Performing<br>Activity   | Audit costs incurred in the evaluation of a contractor bid proposal or the audit of claims for incurred costs.  |

Table 2-11

| <u>Pricing Element</u> | <u>Description</u>   | <u>Appropriation or Fund</u>   | <u>Description</u>  |
|------------------------|--|--|---|
| CX                     | Contract Administration Service (in FY81, used in lieu of CS & QS)           | Trust Fund (TF), centrally managed by the DFAS-DE/I                                    | Cost of the contract administration tasks set forth in the FAR, subpart 42.3 [reference (g)] and audit.   |
| EG                     | DoD Engineering Support  | O&M Appropriation of Performing Activity   | Government-provided engineering services that are required to solve problems encountered during the production run, or efforts to improve the item's capabilities to meet predetermined specifications.             |
| FS                     | DoD Production, Testing, and Evaluation Support                              | O&M, RDT&E Appropriation, or DoD Working Capital Funds                                 | Government production testing and evaluation costs to be recovered on a pro-rata basis over benefiting production run items.  |
| LS                     | Logistics Support Charge (LSC)   | Trust Fund (TF) centrally managed by the DFAS-DE/I                                     | Cost of logistics support. Note: Discontinued for DoD Working Capital Funds items, on or after October 1, 1990.   |
| MP                     | Services of Military Personnel   | Military Personnel (MP) Appropriations   | Cost of military personnel services based on standard composite pay rates (as accelerated for leave and holidays when applicable) (see Chapter 7). Includes retirement for FY 85 and subsequent.                    |
| MR                     | Retired Military Pay (Note: This pricing element applies to FY 84 and prior) | Miscellaneous Receipt Account 3041 FY 84 and prior. See MP for 85 and subsequent years | Cost of imputed military retirement determined by applying appropriate acceleration factor to military personnel services costs (see Chapter 7).  |
| MX                     | Other Benefits (when applicable)   | O&M Appropriation of Performing Activity   | Cost for portion of quarters, subsistence, medical, and other personnel support costs not included in MP. Computed by applying appropriate acceleration factor to military personnel service costs (see Chapter 7). |
| OS                     | Other Support  | "TF" for PCH&T, Storage and Admin. Other appropriations, as applicable.                | Other costs not specifically defined. PCH&T does not apply to DoD Working Capital Funds items delivery reported on or after October 1, 1990.  |

Table 2-11 (Continued)

| <u>Pricing Element</u> | <u>Description</u>  | <u>Appropriation or Fund</u>                                      | <u>Description</u>   |
|------------------------|---|---|--|
| QS                     | DoD Quality Assurance Support (For FY 1980 and prior, applies to FMS cases and to commercial contracts; after FY 1980 applies to commercial contracts only) | O&M Appropriation of Performing Activity                          | Government-applied quality assurance costs to be recovered either on the basis of individual items examined or on a pro-rata basis over benefiting production run items. |
| RD                     | R&D and non-recurring production recoupment   | SDAF 11X4116 or Miscellaneous Receipt Account 3041, as applicable | Recovery of nonrecurring costs as specified by Chapter 7.  |
| RF                     | Royalty Fees  | SDAF 11X4116 or Miscellaneous Receipt Account 3041, as applicable | Collection of royalty fees.  |
| RS                     | Special RDT&E   | RDT&E Appropriation   | Special RDT&E effort being accomplished specifically for the FMS customer.   |
| SA                     | Articles obtained from inventory for SDAF   | SDAF 11X4116  | Sale SDAF items originally obtained from DoD inventories.  |
| SD                     | Articles procured from contractors for SDAF   | SDAF 11X4116  | Sale of SDAF items obtained from procurement.  |
| SF                     | Articles from Stock not requiring replacement   | SDAF or Miscellaneous Receipt Account 3041, as applicable         | Sale of assets not requiring inventory replacement.  |
| SR                     | Articles from stock requiring replacement   | Procurement Appropriation or DoD Working Capital Funds            | Sale of materiel requiring inventory replacement as a result of sale.  |

Table 2-11 (Continued)

| <u>Element</u> | <u>Description</u>                            | <u>Appropriation or Fund</u>                    | <u>Pricing</u>  |
|----------------|---|---|---|
|                |   |   | <u>Description</u>  |
| TF             | Charges applied by the DFAS-DE/I              | Trust Fund (TF), centrally managed by DFAS-DE/I | Below-the-line cost on the LOA (PCH, administrative fee, transportation, etc.)<br>PCH does not apply to DoD Working Capital Funds items delivery reported on or after October 1, 1990   |
| TR             | Training related expenses for formal training | Direct Cite or appropriation account            | The expenses related to the conduct of formal training.   |
| TX             | Transportation                                | Applicable appropriation or fund                | Costs for transportation when DTS is approved and used. The DFAS-DE/I applied transportation charges do not apply to DoD Working Capital Funds material effective October 1, 1990, for generic code L1A, and effective October 1, 1991, for generic code L1D and L1E. |

Special Pricing Element Codes for Air Force Training Cases

|    |                                       |  |   |
|----|---------------------------------------|--|---|
| AR | Air Force Reserve                     | Air Force Reserve Appropriation                                | That portion of training reimbursement passed to Air Force Reserve.           |
| DM | Depot Maintenance                     | DoD Working Capital Funds                                      | That dollar portion of training course cost identified for depot maintenance. |
| NG | Air National Guard                    | National Guard Appropriation                                   | That portion of training reimbursement passed to National Guard.              |
| PL | Aviation POL                          | DoD Working Capital Funds                                      | That dollar portion of training course cost identified POL.                   |
| TC | Reimbursement to a Foreign Government | Country TF   | Third Country training with reimbursement from the second country.            |
| XN | Reimbursable Orders to Navy           | Direct Cite or Navy Appropriation Account which accepted order | That portion of the training case passed to Navy for execution.               |
| XA | Reimbursable Orders to Army           | Direct Cite or Army Appropriation Account which accepted order | That portion of the training case passed to Army for execution.               |

Table 2-11 (Continued)

| <u>Element</u> | <u>Description</u>                      | <u>Pricing</u>   |   |
|----------------|---|--|---|
|                |   | <u>Appropriation or Fund</u>                                     | <u>Description</u>  |
| XX             | Reimbursable Orders to Defense Agencies | Direct Cite or Agency Appropriation Account which accepted order | That portion of the training case passed to Defense Agency for execution. |
| DI             | Reimbursable Orders to DISAM            | Direct Cite or AF Appropriation Account which accepted order     | That portion of the training case passed to DISAM for execution.          |
| M2             | Military Personnel PCS                  | Military Pay Appropriation                                       | Military personnel PCS costs incurred to accomplish FMS training case.    |
| IP             | Information Program Funds               | Direct Cite or Appropriation Account which accepted order        | That portion of the training case which funds the information program.    |
| ML             | Minor Construction                      | O&M Appropriation  | That portion of the training case applicable to minor construction.       |

Table 2-11 (Continued)



**FMS PLANNING DIRECTIVE (DD FORM 2061) EXAMPLE**

| <b>FMS PLANNING DIRECTIVE</b>   |  |             |                                   |   |   |   |                                      |                            |                        |   |   |   |  |
|---|--|-------------|-----------------------------------|---|---|---|--------------------------------------|----------------------------|------------------------|---|---|---|--|
| (1) FMS Case No. <u>BC-P-ADK</u><br>(2) FMS Case Submitted to Foreign Government <u>31 Oct 85</u><br>(3) Date Offer Expires <u>31 Oct 85</u><br>(4) Date Case Accepted by Foreign Government <u>31 Oct 85</u> |  |             |                                   |   |   |   |                                      |                            |                        |   |   |   |  |
| (5) Total Case Value <u>XX</u><br>(6) Control Number <u>BC-DADK-86181.01</u><br>(7) Date Prepared <u>30 Jun. 1985</u><br>(8) DoD Component <u>Navy/J. Smith</u><br><u>NAVAIR, AV 222-7890</u>                 |  |             |                                   |   |   |   |                                      |                            |                        |   |   |   |  |
| (9)<br>Case<br>Item<br>No.  | (10)<br>Item<br>Description  | (11)<br>Qty | (12)<br>Pricing<br>Elements       | (13)<br>Financing<br>Appropr.                               | (14)<br>Estimated<br>Cost                               | (15)<br>Direct Cita/<br>Oblig Auth Rec'd<br>to Date ( ) | (16)<br>Funding Required to Date ( ) |                            |                        | (17)<br>Current<br>FY ( )<br>Funding<br>Plan  | (18)<br>Remaining<br>Program<br>Value           | (19)<br>Budget<br>Year ( )<br>Funding<br>Plan   |  |
|   |  |             |                                   |   |   |   | Obligations<br>Incurred              | Unobligated<br>Commitments | Items<br>from<br>Stock |   |   |   |  |
| A.  | LINES 1 AND 5 THROUGH 8 MUST BE COMPLETED ON ALL FORMS. LINES 2, 3, AND 4 SHOULD BE COMPLETED IF INFORMATION IS AVAILABLE.   |             |                                   |   |   |   |                                      |                            |                        |   |   |   |  |
| B.  | MATERIAL AND SERVICES PROCURED FROM A CONTRACTOR OR NON-DOO SOURCE. CONTRACT TO BE AWARDED IN THE CURRENT YEAR. CONTRACT ADMINISTRATION SERVICES APPLICABLE TO THE CURRENT YEAR. INCLUDES RECOUPMENT OF NON-RECURRING RESEARCH AND DEVELOPMENT AND NON-RECURRING PRODUCTION COSTS. |             |                                   |   |   |   |                                      |                            |                        |   |   |   |  |
| 1.  | Ship   | 1           | CC<br>CX<br>RD                    | DC<br>TF<br>3041  | 2,450,000<br>36,750<br>200,000                          |   |                                      |                            |                        | 2,450,000<br>36,750                           | 200,000   | 200,000   |  |
| C.  | MATERIAL PRODUCED BY NAVY INDUSTRIALLY FUNDED (NIF) ACTIVITY. 80% OF WORK TO BE COMPLETED IN THE CURRENT YEAR. ASSET USE CHARGES AND RETIREMENT SHOWN SEPARATELY.  |             |                                   |   |   |   |                                      |                            |                        |   |   |   |  |
| 1.  | Bomb   | 20          | CC<br>CP<br>CR<br>CD<br>AU*       | DC<br>17X4912<br>17X4912<br>3041<br>3041                    | 800,000<br>26,491<br>1,735<br>5,576<br>1,353            |   |                                      |                            |                        | 640,000<br>21,533<br>1,388<br>4,461<br>1,082  | 160,000<br>5,388<br>347<br>1,115<br>271         | 160,000<br>5,388<br>347<br>1,115<br>271         |  |
| D.  | MATERIAL PRODUCED BY NON-NIF NAVY ACTIVITY. 70% OF WORK TO BE COMPLETED IN THE CURRENT YEAR. ASSET USE AND RETIREMENT SHOWN SEPARATELY.  |             |                                   |   |   |   |                                      |                            |                        |   |   |   |  |
| 1.  | Film   | 1 Lot       | OS<br>CP<br>CP<br>CR<br>CD<br>AU* | 1761804<br>1771804<br>1761804<br>1771804<br>1771804<br>3041 | 350,000<br>150,000<br>18,544<br>7,947<br>1,215<br>5,576 |   |                                      |                            |                        | 350,000<br>0<br>18,544<br>0<br>1,215<br>3,903 | 0<br>150,000<br>0<br>7,947<br>0<br>520<br>1,673 | 0<br>150,000<br>0<br>7,947<br>0<br>520<br>1,673 |  |
|   |  |             |                                   |   | 21,353  |   |                                      |                            |                        | 14,947  | 6,406   | 6,406   |  |

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\*Asset use was applicable prior to 30 November 1989.

Table 2-12

**FMS PLANNING DIRECTIVE (DD FORM 2061) EXAMPLE (CONTINUED)**

| FMS PLANNING DIRECTIVE   |                             |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |  |
|--|-----------------------------|-------------|-----------------------------|------------------------------|---------------------------|--|--------------------------------------|----------------------------|------------------------|--|---------------------------------------|---|--|
| (1) FMS Case No. <u>BC-P-ADK</u><br>(2) FMS Case Submitted to Foreign Government <u>XX</u><br>(3) Date Offer Expires <u>31 Oct 85</u><br>(4) Date Case Accepted by Foreign Government <u>30 Jun. 1985</u><br>(5) Total Case Value <u>BC-D-ADK-86181 01</u><br>(6) Control Number <u>NAVJ/J. Smith</u><br>(7) Date Prepared <u>NAVAIR, AV 222-7890</u><br>(8) DoD Component |                             |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |  |
| (9)<br>Case<br>Item<br>No.   | (10)<br>Item<br>Description | (11)<br>Qty | (12)<br>Pricing<br>Elements | (13)<br>Financing<br>Approp. | (14)<br>Estimated<br>Cost | (15)<br>Direct Cite/<br>Oblig/ Auth Rec'd<br>to Date ( ) | (16)<br>Funding Required to Date ( ) |                            |                        | (17)<br>Current<br>FY ( )<br>Funding<br>Plan | (18)<br>Remaining<br>Program<br>Value | (19)<br>Budget<br>Year ( )<br>Funding<br>Plan |  |
|  |                             |             |                             |                              |                           |  | Obligations<br>Incurred              | Unobligated<br>Commitments | Items<br>from<br>Stock |  |                                       |   |  |
| E. MATERIAL PROVIDED FROM NON-EXCESS STOCK ITEMS - 50% FROM NSF, 25% FROM OPN (NEW PROCUREMENT) AND 25% FROM DLA   |                             |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |  |
| 1.   | Spare Parts                 |             | SR                          | 17X4911                      | 80,000                    |  |                                      |                            |                        | 80,000                                       |                                       |   |  |
|  |                             |             | CC                          | 1761810                      | 40,000                    |  |                                      |                            |                        | 40,000                                       |                                       |   |  |
|  |                             |             | SR                          | 97X4961                      | 40,000                    |  |                                      |                            |                        | 40,000                                       |                                       |   |  |
|  |                             |             | AU*                         | 3041                         | 1,200                     |  |                                      |                            |                        | 1,200  |                                       |   |  |
|  |                             |             | CX                          | TF                           | 600                       |  |                                      |                            |                        | 600  |                                       |   |  |
|  |                             |             | LS                          | TF                           | 5,022                     |  |                                      |                            |                        | 5,022  |                                       |   |  |
| F. MATERIEL PROVIDED FROM EXCESS STOCK   |                             |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |  |
| 1.   | Helio Rotors                | 3           | SF                          | 3041                         | 9,000                     |  |                                      |                            |                        | 9,000  |                                       |   |  |
|  |                             |             | AU*                         | 3041                         | 90                        |  |                                      |                            |                        | 90   |                                       |   |  |
| G. CIVILIAN PERSONNEL COSTS PERFORMING AT A U.S. GOVERNMENT FACILITY, 50% IN THE CURRENT YEAR, 30% IN THE BUDGET YEAR AND 20% IN THE FOLLOWING YEAR. ASSET USE CHARGES AND RETIREMENT SHOWN SEPARATELY.  |                             |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |  |
| 1.   | Services of<br>Civ Pers     |             | CP                          | 1761804                      | 13,246                    |  |                                      |                            |                        | 13,246                                       | 0                                     | 0   |  |
|  |                             |             | CP                          | 1771804                      | 7,947                     |  |                                      |                            |                        | 0  | 7,947                                 | 7,947   |  |
|  |                             |             | CP                          | 1781804                      | 5,298                     |  |                                      |                            |                        | 0  | 5,298                                 | 0   |  |
|  |                             |             | CR                          | 1761804                      | 868                       |  |                                      |                            |                        | 868  | 0                                     | 0   |  |
|  |                             |             | CR                          | 1771804                      | 520                       |  |                                      |                            |                        | 0  | 520                                   | 520   |  |
|  |                             |             | CR                          | 1781804                      | 347                       |  |                                      |                            |                        | 0  | 347                                   | 0   |  |
|  |                             |             | CD                          | 3041                         | 5,576                     |  |                                      |                            |                        | 2,788  | 1,673                                 | 1,115   |  |
|  |                             |             | AU*                         | 3041                         | 1,353                     |  |                                      |                            |                        | 677  | 406                                   | 270   |  |

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\*Asset use was applicable prior to 30 November 1989.

Table 2-12 (Continued)

## FMS PLANNING DIRECTIVE (DD FORM 2061) EXAMPLE (CONTINUED)

| FMS PLANNING DIRECTIVE  |  |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |       |
|---|--|-------------|-----------------------------|------------------------------|---------------------------|--|--------------------------------------|----------------------------|------------------------|--|---------------------------------------|---|-------|
| (1) FMS Case No. BCP-ADK<br>(2) FMS Case Submitted to Foreign Government: 31 Oct 85<br>(3) Date Offer Expires: 31 Oct 85<br>(4) Date Case Accepted by Foreign Government: |  |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |       |
| (5) Total Case Value: XX<br>(6) Control Number: BC-DADK-26181.01<br>(7) Date Prepared: 30 Jun. 1995<br>(8) DoD Component: Navy/J.L. Smith<br>NAVAIR, AV 222-7890          |  |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |       |
| (9)<br>Case<br>Item<br>No   | (10)<br>Item<br>Description  | (11)<br>Qty | (12)<br>Pricing<br>Elements | (13)<br>Financing<br>Approp. | (14)<br>Estimated<br>Cost | (15)<br>Direct Chief<br>Obligi Auth Rec'd<br>to Date ( ) | (16)<br>Funding Required to Date ( ) |                            |                        | (17)<br>Current<br>FY ( )<br>Funding<br>Plan | (18)<br>Remaining<br>Program<br>Value | (19)<br>Budget<br>Year ( )<br>Funding<br>Plan |       |
|   |  |             |                             |                              |                           |  | Obligations<br>Incurred              | Unobligated<br>Commitments | Items<br>from<br>Stock |  |                                       |   | Total |
| H.  | MILITARY PERSONNEL COSTS PERFORMING AT A U.S. GOVERNMENT FACILITY, 75% IN THE CURRENT YEAR, 25% IN THE BUDGET YEAR.                    |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |       |
| 1.  | MILPERS  |             | MP                          | 1761453                      | 50123                     |  |                                      |                            |                        | 50,123                                       | 0                                     | 0   |       |
|   |  |             | MP                          | 1771453                      | 16707                     |  |                                      |                            |                        | 0  | 16,707                                | 0   |       |
|   |  |             | MX                          | 1761804                      | 3007                      |  |                                      |                            |                        | 3,007  | 0                                     | 0   |       |
|   |  |             | MX                          | 1771804                      | 1002                      |  |                                      |                            |                        | 0  | 1,002                                 | 0   |       |
|   |  |             | AU*                         | 3041                         | 2,834                     |  |                                      |                            |                        | 2,126  | 708                                   | 708   |       |
| I.  | RECOUPMENT OF NONRECURRING RESEARCH AND DEVELOPMENT AND NONRECURRING PRODUCTION COSTS IN THE CURRENT YEAR (INCLUDED IN END ITEM COST). |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |       |
| 1.  | Nonrecurring Costs   |             | RD                          | 3041                         | 202800                    |  |                                      |                            |                        | 202,800                                      |                                       |   |       |
| J.  | CONTRACT ADMINISTRATION SERVICES PROVIDED BY DIA. ASSET USE AND UNFUNDED RETIREMENT CHARGES SHOWN SEPARATELY.                          |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |       |
| 1.  | CAS  |             | CS                          | 9760100                      | 8,300                     |  |                                      |                            |                        | 8,300  |                                       |   |       |
|   |  |             | AU*                         | 3041                         | 332                       |  |                                      |                            |                        | 332  |                                       |   |       |
| K.  | RECOVERY OF ROYALTY FEES RELATED TO THE SALE OF A TECHNICAL DATA PACKAGE, BASED ON IN-COUNTRY PRODUCTION.                              |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |       |
| 1.  | TDI  |             | RF                          | 3041                         | 6,000                     |  |                                      |                            |                        | 6,000  |                                       |   |       |
| L.  | SALE OF EXCESS SHIP. *AS IS, WHERE IS. *WITH APPLICABLE R&D RECOUPMENT.  |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |       |
| 1.  | Ex-USS Boat  |             | SF                          | 3041                         | 2,225,000                 |  |                                      |                            |                        | 2,225,000                                    |                                       |   |       |
|   |  |             | RD                          | 3041                         | 50,000                    |  |                                      |                            |                        | 50,000                                       |                                       |   |       |
| M.  | SALE OF AN ITEM WHOSE DESCRIPTION WOULD REQUIRE CLASSIFICATION OF THE DD FORM 2061.  |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |       |
| 1.  | "Classified"   |             | CC                          | DC                           | 2,000,000                 |  |                                      |                            |                        | 2,000,000                                    |                                       |   |       |

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\*Asset Use was applicable prior to 30 November 1989.

Table 2-12 (Continued)

## FMS PLANNING DIRECTIVE (DD FORM 2061) EXAMPLE (CONTINUED)

| FMS PLANNING DIRECTIVE   |   |  |        |              |             |                             |  |  |  |  |  |               |              |
|--|---|--|--------|--------------|-------------|-----------------------------|--|--|--|--|--|---------------|--------------|
| (1) FMS Case No. <u>BC-P-ADK</u><br>(2) FMS Case Submitted to Foreign Government <u>XX</u><br>(3) Date Offer Expires <u>31 Oct 85</u><br>(4) Date Case Accepted by Foreign Government <u>NAVAIR, AV 222-7890</u>   |   |  |        |              |             |                             |  |  |  |  |  |               |              |
| (5) Total Case Value<br>(6) Control Number<br>(7) Date Prepared<br>(8) DoD Component   |   |  |        |              |             |                             |  |  |  |  |  |               |              |
| (9) Case Item No. (10) Item Description (11) Qty (12) Pricing Elements (13) Financing Approval (14) Estimated Cost (15) Direct Ctr/ Obligi Auth Rec'd to Date (16) Funding Required to Date (17) Current FY (18) Remaining Program Value (19) Budget Year ( ) Funding Plan |   |  |        |              |             |                             |  |  |  |  |  |               |              |
| (16) Funding Required to Date ( )<br>(17) Current FY ( )<br>(18) Remaining Program Value<br>(19) Budget Year ( ) Funding Plan  |   |  |        |              |             |                             |  |  |  |  |  |               |              |
| N.   | FOREIGN LIAISON OFFICE AT A U.S. NAVY-OWNED FACILITY. ASSET USE OF 4% OF ALL OTHER CHARGES APPLIED IN LIEU OF SPACE RENTAL CHARGES. ASS/IME THE FOLLOWING CHARGES: 1) TELEPHONE-\$250; 2) OFFICE EQUIPMENT-\$800; 3) MAIL-\$350; 4) DUPLICATING-\$1,000; 5) PRINTING-\$500; 6) TOLL CHARGES-\$800; 7) ADP SERVICES-\$400; AND 8) INDIRECT BASE SUPPORT-\$400. |  |        |              |             |                             |  |  |  |  |  |               |              |
| 1.   | Foreign Liaison Office  |  | OS AU* | 1761804 3041 | 4,500 180   |                             |  |  |  |  |  | 4,500 180     |              |
| O.   | SAME EXAMPLE AS ABOVE EXCEPT THAT 1) FACILITY IS RENTED BY NAVY; 2) PRO RATA SHARE OF RENTAL CHARGES IS \$2,500; AND 3) INDICATE BASE SUPPORT INCLUDED IN SPACE RENTAL CHARGE. ASSET USE IS 4% OF TOTAL.  |  |        |              |             |                             |  |  |  |  |  |               |              |
| 1.   | Foreign Liaison Office  |  | OS AU* | 1761804 3041 | 6,600 264   |                             |  |  |  |  |  | 6,600 264     |              |
| P.   | EXAMPLE OF PRIOR, CURRENT AND FUTURE YEAR DATA USING NO YEAR (X) ACCOUNT.   |  |        |              |             |                             |  |  |  |  |  |               |              |
| 1.   | Special Support   |  | OS AU* | 17X4912 3041 | 288,462 264 | 144,231 108,173 5,770 4,327 |  |  |  |  |  | 144,231 5,770 | 36,058 1,443 |
| Q.   | EXAMPLE OF PCH&H, ADMIN AND SOTCK ISSUE ASSET USE (SIAU), THROUGH TOTAL CASE VALUE.   |  |        |              |             |                             |  |  |  |  |  |               |              |
|  | NET CASE VALUE 1 Lot  |  | OS TF  |              | 8,000,000   |                             |  |  |  |  |  | 6,000,000     | 2,000,000    |
|  | PC&H(3.5%)  |  | OS TF  |              | 53,760      |                             |  |  |  |  |  | 0             | 0            |
|  | Admin(3%)   |  | OS TF  |              | 240,000     |                             |  |  |  |  |  | 0             | 0            |
|  | Trans(6.25%)  |  | OS TF  |              | 6,250       |                             |  |  |  |  |  | 0             | 0            |
|  | Parc Post(3.75%)  |  | OS TF  |              | 75,000      |                             |  |  |  |  |  | 0             | 0            |
|  | SIAU (1%)   |  | AU*    |              | 15,360      |                             |  |  |  |  |  | 0             | 0            |
|  | TOTAL CASE VALUE  |  |        |              | 8,390,370   |                             |  |  |  |  |  | 14,947        | 2,390,370    |

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\*Asset use was applicable prior to 30 November 1989.

Table 2-12 (Continued)

**FMS PLANNING DIRECTIVE (DD FORM 2061) EXAMPLE (CONTINUED)**

| FMS PLANNING DIRECTIVE  |                             |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |  |
|---|-----------------------------|-------------|-----------------------------|------------------------------|---------------------------|--|--------------------------------------|----------------------------|------------------------|--|---------------------------------------|---|--|
| (1) FMS Case No. <u>BC-P-ADK</u><br>(2) FMS Case Submitted to Foreign Government <u>XX</u><br>(3) Date Offer Expires <u>31 Oct 85</u><br>(4) Date Case Accepted by Foreign Government <u>30 Jun 1985</u><br>(5) Total Case Value <u>BC-D-ADK-86181.01</u><br>(6) Control Number <u>NAVAIR AV 222-7890</u><br>(7) Date Prepared <u>Naval J. Smith</u><br>(8) DoD Component |                             |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |  |
| (9)<br>Case<br>Item<br>No.  | (10)<br>Item<br>Description | (11)<br>Qty | (12)<br>Pricing<br>Elements | (13)<br>Financing<br>Approp. | (14)<br>Estimated<br>Cost | (15)<br>Direct Cite/<br>Oblig/ Auth Rec'd<br>to Date ( ) | (16)<br>Funding Required to Date ( ) |                            |                        | (17)<br>Current<br>FY ( )<br>Funding<br>Plan | (18)<br>Remaining<br>Program<br>Value | (19)<br>Budget<br>Year ( )<br>Funding<br>Plan |  |
|   |                             |             |                             |                              |                           |  | Obligations<br>Incurred              | Unobligated<br>Commitments | Items<br>from<br>Stock |  |                                       |   |  |
| R. EXAMPLE OF A SUMMARY (EXECUTION TO BE COMPLETED IN BUDGET YEAR). CASE NOT IMPACTED BY A LESS THAN 10% INCREASE.  |                             |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |  |
| SUMMARY:  |                             |             |                             |                              |                           |  |                                      |                            |                        |  |                                       |   |  |
|   | Reimbursable Program        |             |                             |                              | 15,000                    | 15,000   | 0                                    |                            | 5,000                  | 5,000  | 5,000                                 | 5,000   |  |
|   | Direct Cite Program         |             |                             |                              | 45,000                    | 45,000   | 45,000                               |                            | 0                      | 0  | 0                                     | 0   |  |
|   | NET CASE VALUE              |             |                             |                              | 60,000                    | 60,000   | 45,000                               |                            | 5,000                  | 5,000  | 5,000                                 | 5,000   |  |
|   | PC&H, Admin, SIAU*          |             |                             |                              | 2,888                     | 2,888  | 0                                    |                            | 0                      | 0  | 2,888                                 | 0   |  |
|   | TOTAL CASE VALUE            |             |                             |                              | 62,888                    | 60,000   | 45,000                               |                            | 5,000                  | 5,000  | 7,888                                 | 5,000   |  |

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\*Asset use was applicable prior to 30 November 1989.

Table 2-12 (Continued)

**DD FORM 2060 COMPLETION PROCEDURES (Table 2-13)**

| <u>DD Form 2060 Data Element</u> |                                    | <u>Information Source</u>   | <u>Remarks</u>  |
|----------------------------------|------------------------------------|---|---|
| <u>Line/Column #Description</u>  |                                    |   |   |
|                                  | Type of Request                    | See remarks   | Enter the designation of the document that occasioned the submission of the DD Form 2061 and 2060, e.g., LOA, modification, amendment, less than 10% increase, or DD Form 2061 Revision.    |
| 1                                | Performing Component               | See remarks   | Enter "Army," "Navy," or "Air Force."   |
| 2                                | Period Covered                     | Enter the fiscal year for which obligational authority is being requested, e.g., FY81                                   |   |
| <b><u>PART A</u></b>             |                                    |   |   |
| 3                                | FMS Planning Directive Control No. | Obtain from line 6 of DD Form 2061  |   |
| 4                                | Total Case Value                   | Obtain from "Total Case Value" line, Column 14, of "Summary" section of DD Form 2061. Also equals line 5, DD Form 2061. |   |
| 5                                | Amount to be Held in Trust Fund    | Obtain from "PCH&T, Admin, and Storage, Column 14, in "Summary" section of DD Form 2061                                 | PCH&T does not apply to DoD Working Capital Funds delivery reported on or after October 1, 1990. Storage charges do not apply to the FMSO I Part A on-hand DoD Working Capital Funds items. |
| 6                                | Net Case Value                     | Computation:<br>Column 4<br>- Column 5<br>= Column 6  | This amount represents the total which will be provided the performing DoD Component for an FMS case.   |
| 7                                | Received                           | Obtain from "Net Case Value" line, Column 15, of the "Summary" section DD Form 2061                                     | The entries in block 7, 8, and 9 are constant for a fiscal year and must agree with the entries on the annual consolidated DD Form 2060.  |

Table 2-13

**DD FORM 2060 COMPLETION PROCEDURES (CONTINUED)**

| <u>DD Form 2060 Data Element</u>            | <u>Information Source</u>   | <u>Remarks</u>   |
|---|---|--|
| <u>Line/Column #Description</u>             |   |  |
| 8 Required                                  | Obtain from "Net Case Value" line, Column 16 "Total," of the "Summary" section of the DD Form 2061  |  |
| 9 Withdrawn                                 | Computation:<br>Column 7-<br>Column 8=<br>Column 9  | Represents the amount of funds received in prior periods but not required for case performance. These amounts will be withdrawn from performing DoD Components.  |
| 10 & 11 Authority Required this Fiscal Year | Enter the fiscal year from line 2   |  |
| 10 Reimbursable                             | Obtain from "Reimbursable Program" line, Column 17, of the "Summary" section of the DD Form 2061  | Represents the amount of reimbursable obligation authority required for the current fiscal year.   |
| 11 Direct Cite                              | Obtain from the "Direct Cite" line, Column 17, of the DD Form 2061  | Amounts in this column followed by a "(C)" represent direct citation delegation authority required for the current fiscal year. If blank, the request is for an allotment of funds for direct cite, with the implementing agency to be the accounting station. |
| 12 Remaining Program                        | Computation:<br>Column 6- [Column 8 +<br>Column 10+Column 11]=<br>Column 12. Should agree with "Net Case Value" line, Column 18, of the "Summary" section of the DD Form 2061 | May be negative if type of request is for a less-than-10% increase.  |
| 13 Balance Brought Forward                  | N/A   |  |
| 14 Case Total                               | N/A   |  |

**Table 2-13 (Continued)**

**DD FORM 2060 COMPLETION PROCEDURES (CONTINUED)**

| <u>DD Form 2060 Data Element</u> | <u>Information Source</u>   | <u>Remarks</u>  |
|----------------------------------|---|---|
| <u>Line/Column #Description</u>  |   |   |
| 15 Admin Expense                 | N/A   |   |
| 16 Total                         | Sum of entries by column  |   |
| <b><u>PART B</u></b>             |   |   |
| 17 Appropriation Title           | Obtain from appropriate DoD Component directives  | Enter abbreviated title. Where the case is impacted by an increase of less than 10%, insert an additional line "Less-than-10% increase."  |
| 18 Account Symbol                | Obtain from DD Form 2061, Column 13   | Enter the first impacted (financing) appropriation or fund for reimbursement action; or enter "DC" where the Trust Fund is to be direct cited. Summarize into one line per account.                                     |
| 6 - Net Case Value               | Obtain totals (by appropriation) from applicable column on DD Form 2061. Column 9 should be computed as Column 7-Column 8 | Individual data under each column. Where the case is impacted by an increase of less than 10%, an appropriate negative entry will be shown in Column 6 and 12 as determined from Columns 14 and 18 of the DD Form 2061. |
| 7 - Received                     |   |   |
| 8 - Required                     |   |   |
| 9 - Withdrawn                    |   |   |
| 10 - Reimbursable                |   |   |
| 11 - Direct Cite                 |   |   |
| 12 - Remaining Program           |   |   |
| 19 Balance Brought Forward       | N/A   |   |
| 20 Obligational Authority        | Enter totals (by column) for each applicable element  | Totals should reflect same data as DD Form 2060 summary data reflected in Part A.   |
| 21 Signature Block               | To be completed by Appropriate DoD Component/Agency   |   |
| 22 Signature Block               | To be completed by the DFAS-DE/I  |   |
| 23 Approval Control Number       | To be completed by the DFAS-DE/I  |   |

**Table 2-13 (Continued)**



**FMS OBLIGATIONAL AUTHORITY (DD FORM 2060) EXAMPLE**

| FMS OBLIGATIONAL AUTHORITY               |                            |  |                             |   |                 |                                |                      |                                       |           |
|--|----------------------------|--|-----------------------------|---|-----------------|--------------------------------|----------------------|---------------------------------------|-----------|
| (1) Performing Component <u>NAVY</u>     |                            |  |                             |   |                 |                                |                      |                                       |           |
| (2) Period Covered <u>1998</u>           |                            |  |                             |   |                 |                                |                      |                                       |           |
| FMS Case Commitment/Obligation Authority |                            |  |                             |   |                 |                                |                      |                                       |           |
| (3)<br>FMS Planning<br>Directive         | (4)<br>Total<br>Case Value | (5)<br>Amount to<br>Be Held in<br>Trust Fund | (6)<br>Net<br>Case<br>Value | Prior Period Reimbursable<br>Funding/Direct Authority (FY ) |                 | Authority Required This FY ( ) |                      | (12)<br>Remaining<br>Program<br>Value |           |
|  |                            |  |                             | (7)<br>Received   | (8)<br>Required | (9)<br>Withdrawn               | (10)<br>Reimbursable | (11)<br>Direct Cite                   |           |
| BC-ADK-86181 02                          | 7,473,923                  | 217,667                                      | 7,256,236                   | 6,203,500   | 1,812,079       | 4,391,421                      | 22,100               | 4,420,057                             | 1,002,000 |
| (13) Balance<br>brought fwd.             |                            |  |                             |   |                 |                                |                      |                                       |           |
| (14) Case Total                          |                            |  |                             |   |                 |                                |                      |                                       |           |
| (15) Admin Expense                       |                            |  |                             |   |                 |                                |                      |                                       |           |
| (16) Total                               |                            |  |                             |   |                 |                                |                      |                                       |           |
| PART B: Financing Accounts               |                            |  |                             |   |                 |                                |                      |                                       |           |
| (17) Appropriation Title                 | (18) Account Symbol        |  |                             |   |                 |                                |                      |                                       |           |
| Direct Cite                              | DC                         |  | 7,207,655                   | 6,182,237   | 1,780,744       | 4,371,453                      | 0                    | 4,420,057                             | 996,354   |
| NIF                                      | 17X4912                    |  | 38,001                      | 30,863  | 13,015          | 17,849                         | 17,940               | 0                                     | 5,146     |
| OS&N                                     | 1761804                    |  | 8,000                       | 10,000  | 8,000           | 2,000                          | 0                    | 0                                     | 0         |
| OS&M,N                                   | 1771604                    |  | 4,000                       | 0   | 0               | 0                              | 4,000                | 0                                     | 0         |
| Misc Receipts                            | 3041                       |  | 480                         | 400   | 320             | 80                             | 160                  | 0                                     | 0         |
| (19) Balance Brought Forward             |                            |  | 7,256,236                   | 6,203,500   | 1,812,079       | 4,391,421                      | 22,100               | 4,420,057                             | 1,002,000 |
| (20) Obligational Authority              |                            |  |                             |   |                 |                                |                      |                                       |           |

(21) We will accept (1) orders to be performed on a reimbursable basis in the amounts shown in column (6), (2) authority for a direct cite against 97-11X242 for amounts designated (C) in column (11), and (3) allotments in amounts designated (A) in column (11).

(22) In approving this form, we hereby issue (1) reimbursable orders on a case-by-case basis as shown in column (6), (2) authority for performance on a direct cite basis for the total of the amounts designated (C) in column (11) but not to exceed the amounts specified by case, and (3) an allotment for the total of the amounts designated (A) in column (11) but not to exceed the amounts specified by case.

Name of Accepting/Requesting Official \_\_\_\_\_

Name of Offering/Approving Official \_\_\_\_\_

(23) Approval Control No. \_\_\_\_\_

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Table 2-14

**FMS OBLIGATIONAL AUTHORITY (DD FORM 2060) EXAMPLE (CONTINUED)**

| FMS OBLIGATIONAL AUTHORITY  |                            |  |                             |   |                 |                                |                      |                                       |                     |
|---|----------------------------|--|-----------------------------|---|-----------------|--------------------------------|----------------------|---------------------------------------|---------------------|
| (1) Performing Component <u>Navy</u>  |                            |  |                             |   |                 |                                |                      |                                       |                     |
| (2) Period Covered <u>1998</u>  |                            |  |                             |   |                 |                                |                      |                                       |                     |
| FMS Case Commitment/Obligation Authority  |                            |  |                             |   |                 |                                |                      |                                       |                     |
| (3)<br>FMS Planning<br>Directive  | (4)<br>Total<br>Case Value | (5)<br>Amount to<br>Be Held in<br>Trust Fund | (6)<br>Net<br>Case<br>Value | Prior Period Reimbursable<br>Funding/Direct Authority (FY ) |                 | Authority Required This FY ( ) |                      | (12)<br>Remaining<br>Program<br>Value |                     |
|   |                            |  |                             | (7)<br>Received   | (8)<br>Required | (9)<br>Withdrawn               | (10)<br>Reimbursable |                                       | (11)<br>Direct Cite |
| BC-ADL-86181 02   | 61,800                     | 1,800  | 60,000                      | 60,000  | 50,000          | 10,000                         | 6,000                | 5,000                                 | -1,000              |
| (13) Balance<br>brought fwd.  |                            |  |                             |   |                 |                                |                      |                                       |                     |
| (14) Case Total   |                            |  |                             |   |                 |                                |                      |                                       |                     |
| (15) Admin Expense  |                            |  |                             |   |                 |                                |                      |                                       |                     |
| (16) Total  |                            |  |                             |   |                 |                                |                      |                                       |                     |
| PART B: Financing Accounts  |                            |  |                             |   |                 |                                |                      |                                       |                     |
| (17) Appropriation Title (18) Account Symbol  |                            |  |                             |   |                 |                                |                      |                                       |                     |
| Direct Cite DC  |                            |  | 45,000                      | 45,000  | 40,000          | 5,000                          | 0                    | 5,000                                 | 0                   |
| NIF 17X4912   |                            |  | 15,000                      | 15,000  | 10,000          | 5,000                          | 6,000                | 0                                     | 0                   |
| Less than 10% increase  |                            |  | -1,000                      | 0   | 0               | 0                              | 0                    | 0                                     | -1,000              |
| (19) Balance Brought Forward  |                            |  | 60,000                      | 60,000  | 50,000          | 10,000                         | 6,000                | 5,000                                 | -1,000              |
| (20) Obligational Authority   |                            |  |                             |   |                 |                                |                      |                                       |                     |
| <p>(21) We will accept (1) orders to be performed on a reimbursable basis in the amounts designated (A) in column 11, and (3) allotments in amounts designated (A) in column 11.</p> <p>(22) In approving this form, we hereby issue (1) reimbursable orders on a case-by-case basis as shown in column 10, (2) authority for performance on a direct cite basis for the total of the amounts designated (C) in column 11 but not to exceed the amounts specified by case, and (3) an allotment for the total of the amounts designated (A) in column 11 but not to exceed the amounts specified by case.</p> |                            |  |                             |   |                 |                                |                      |                                       |                     |
| <p>Name of Accepting/Requesting Official _____</p> <p>Name of Offending/Approving Official _____</p> <p>(23) Approval Control No. _____</p>   |                            |  |                             |   |                 |                                |                      |                                       |                     |

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Table 2-14 (Continued)

**EXAMPLE OF RBI/RBF INTERFACE TRANSACTION DETAIL**

| Data Element Description and Element Abbreviation   | Format/No. of Position | FICS TRC | Edit/Validations of:<br>RBI Input--MILDEP to DFAS-DE/I<br>RBF Feedback--DFAS-DE/I to MILDEP  |
|---|------------------------|----------|--|
| Document Identifier Code (DIC)  | X(3)                   | 002      | Must be RBI. If not, reject.   |
| Case Budgetary Requirements (Input)   |                        |          |  |
| Case Budgetary Requirements (Feedback)  |                        |          | "RBF" A machine generated mirror image of the RBI transaction appended by the Positive Transaction Reply Codes to become the RBF transaction.  |
| Transaction Control No.(TCN) (YYMMDDNNNNNNV)  | X(13) 4-16             | 152      | Must be numeric and equal to or less than the current date   |
|   |                        | 249      | Version Number (V) must be "0" if Action Code is "A" (add)   |
|   |                        | 248      | Version Number (V) must be 1 thru 9 if Action Code is "C" (change) and must be one greater than suspense version number  |
|   |                        | 251      | If Action Code is "C" (change) or "D" (delete), Transaction Control Number (TCN)(excluding V). Must equal suspense file. (YYMMDDNNNNNNV)   |
| Action Code   | X(1) 17                | 003      | Must be "A", "C", or "D", otherwise invalid. A= Add; C= Change; D= Delete  |
| Country Code (CC)   | X(2) 18-19             | 037      | Must equal 00 or 80 or must be on Country Code Table. If not reject.   |
| Implementing Agency Code (IA)   | X(1) 20                | 038      | If Site Code = 5 or 6, IA code must be on IA Table.  |
| Case Designator   | X(3) 21-23             | 039      | Must be a valid case; if not reject.<br>If country code = 00 case must equal Axx, Mxx, or Lxx where A= ADM, M= MAG, L= LSC and "xx" is alpha-numeric characters equal to program year.<br>If country code = 80, case must equal "CAS".<br>Else case must be on the Active case control file (I) or closed (C) when case is a valid FMS case. |
| Amount OA Budgeted for Fiscal Year  | S9(12) V99 24-37       | 160      | Must be numeric (0-9). May be negative if making current year adjustment to a prior year, if not, reject.  |
| FY Budgeted   | X(2) 38-39             | 157      | If country code = 80 or 00, FY budgeted must be alphanumeric. Spaces are not allowed.  |
|   |                        | 025      | If country code not = 80 or 00, FY must be first prior (October only), current or first future (September only).   |
| <b>THE POSITIVE TRANSACTION CONTROL FEEDBACK CONTAINS THE ORIGINAL RBI TRANSACTION PLUS THE FOLLOWING DATA ELEMENTS FOR THE RBF TRANSACTION</b> |                        |          |  |
| Transaction Reply Code (TRC)  | X(15) 40-54            |          | FEEDBACK TRANSACTIONS ONLY. This 15 character element is appended to the feedback format of all interface transactions by the recipient system. This area will contain 1 to 5, 3-digit transaction reply codes to communicate back to the originator system the results of processing the transaction. (Left justified/space filled).        |

Table 2-15

0203 PREPARATION AND PROCESSING OF DD FORMS 2061 AND 2060 FOR COOPERATIVE LOGISTICS SUPPLY SUPPORT ARRANGEMENTS

020301. General. Proper recognition and phasing of budget authority resulting from LOAs written to implement Cooperative Logistics Supply Support Arrangements (CLSSAs) create unique problems. Under these arrangements the customer funds the acquisition and maintenance of increments to normal DoD inventories and due-ins. Once these increments are established the customer is provided supply support with the same responsiveness as is provided to DoD military units. The applicable LOAs have the following three distinct financial subdivisions.

A. FMSO I, Part A. The FMSO I, Part A, represents the on-hand inventory level required in CONUS to support FMS requisitions to replenish in-country stocks. Normally, the on-hand level represents five months of demand. The cash necessary to establish on-hand inventory accompanies the accepted LOA.

B. FMSO I, Part B. The FMSO I, Part B, results in recognition of the contract authority necessary to award contracts for pipeline to support FMS customer demands. The concept is that the customer's requisition is filled from on-hand inventory acquired under the FMSO I, Part A. The inventory is then replaced by a delivery of a due-in from a contractor. Customer payments under the FMSO II provide the cash necessary to pay the contractor and establish new contract authority to award a contract for additional items--thus maintaining quantities in the pipeline. Because cash received from the FMSO II is used to pay for due-ins, the customer is not required to deposit cash in support of the FMSO I, Part B. However, billings against the FMSO I, Part B, are required if FMSO II demands are below expected levels. The FMSO I, Part B, normally represents 12 months of demand or the procurement lead-time whichever is greater.

C. FMSO II. The FMSO II is the annual consumption case. The FMSO II does not create budget authority until applicable requisitions are received (earned reimbursements) and customer cash is deposited in the financing appropriation account (collected). Upon shipment and collection, additional budget authority is recognized to maintain the pipeline created by the FMSO I, Part B.

020302. Preparation. The FMSO I is written in perpetuity and is modified only if the density of the end items to be supported changes or FMSO consumption patterns differ from expectations. The reimbursable budget authority resulting from acceptance of the FMSO I is credited to financing appropriations current at the time the contracts are awarded to increase on-hand and on-order quantities. The FMSO II is written annually, and the budget authority realized through operation of the FMSO II is credited to appropriations current at the time materiel is released from inventory in response to FMSO II requisitions. An example of an LOA written to implement a FMSO I and applicable DD Forms 2061 and 2060 are at Tables 2-16, 2-17, and 2-18, respectively. An example of an LOA written to implement a FMSO II and applicable DD Forms 2061 and 2060 are at Tables 2-19, 2-20, and 2-21, respectively.

**UNITED STATES DEPARTMENT OF DEFENSE  
OFFER AND ACCEPTANCE (DD FORM 1513) EXAMPLE**

| <b>UNITED STATES DEPARTMENT OF DEFENSE<br/>OFFER AND ACCEPTANCE</b>  |  |                                 |                    | (1) PURCHASER (Name and Address) (ZIP Code)<br><br>Ministry of Defense<br>Anywhere, Bandaria |                 |                               |                         |                         |
|--|--|---------------------------------|--------------------|--|-----------------|-------------------------------|-------------------------|-------------------------|
| (2) PURCHASER'S REFERENCE  |  | (3) CASE IDENTIFIER<br>BD-P-KAA |                    |  |                 |                               |                         |                         |
| <b>OFFER</b>   |  |                                 |                    |  |                 |                               |                         |                         |
| Pursuant to the Arms Export Control Act, the Government of the United States (USG) hereby offers to sell to the above purchaser the defense articles and defense services listed below (hereinafter referred to collectively as "items" and individually as "defense articles" or "services"), subject to the terms contained herein and conditions set forth in Annex A. and to such other special terms and conditions which may be part of, and appended to, this Offer and Acceptance. |  |                                 |                    |  |                 |                               |                         |                         |
| (4) _____<br>Signature (U.S. Dept/Agency Authorized Representative)  |  |                                 |                    | (9) _____<br>Countersignature (Office of the Comptroller, DSAA) (Date)                       |                 |                               |                         |                         |
| (5) _____<br>Typed Name and Title  |  |                                 |                    | (10) _____<br>Typed Name and Title   |                 |                               |                         |                         |
| (6) ADDRESS: _____   |  |                                 |                    | (11) DSAA ACCOUNTING ACTIVITY _____  |                 |                               |                         |                         |
| (7) DATE: _____  |  |                                 |                    |  |                 |                               |                         |                         |
| (8) THIS OFFER EXPIRES: _____  |  |                                 |                    |  |                 |                               |                         |                         |
| NOTE: This offer must be accepted not later than the date shown in block 8. Within five (5) days of the acceptance, you must notify the Office of the Comptroller, DSAA. Otherwise, this Offer is cancelled and retention of initial deposit by offerer pending disposition instructions shall not be deemed a waiver of such cancellation. Request prompt notification if this offer is rejected.   |  |                                 |                    |  |                 |                               |                         |                         |
| ITEM OR REF. NO. (12)  | ITEM DESCRIPTION (Including Stock Number if applicable) (13) | QUANTITY (14)                   | UNIT OF ISSUE (15) | ESTIMATED  |                 | AVAILABILITY AND REMARKS (18) | OFFER RELEASE CODE (19) | DELIVERY TERM CODE (20) |
|  |  |                                 |                    | UNIT COST (16)   | TOTAL COST (17) |                               |                         |                         |
| 001  | 1R1 U00 00000000FMS01  |                                 |                    |  | 93,466          |                               |                         |                         |
|  | FMS01 - Investment Case                                      |                                 |                    |  |                 |                               |                         |                         |
|  | PART A - On Hand   |                                 |                    | 27,490   |                 |                               |                         |                         |
|  | PART B - On Order  |                                 |                    | 65,976   |                 |                               |                         |                         |
| (21) ESTIMATED COST  |  |                                 |                    | \$   | 93,466          |                               |                         |                         |
| (22) ESTIMATED PACKING, CARATING, AND HANDLING COST  |  |                                 |                    | \$   |                 |                               |                         |                         |
| (23) ESTIMATED GENERAL ADMINISTRATIVE COSTS  |  |                                 |                    | \$   |                 |                               |                         |                         |
| (24) ESTIMATED CHARGES FOR SUPPLY SUPPORT ARRANGEMENT  |  |                                 |                    | \$   | 1,375           |                               |                         |                         |
| (25) OTHER ESTIMATED COSTS (Specify)   |  |                                 |                    | \$   |                 |                               |                         |                         |
| (26) ESTIMATED TOTAL COSTS   |  |                                 |                    | \$   | 94,841          |                               |                         |                         |
| (27) TERMS<br><br>Dependable Undertaking \$ 65,976   |  |                                 |                    | (28) AMOUNT OF INITIAL DEPOSIT - \$ 28,865   |                 |                               |                         |                         |
| <b>ACCEPTANCE</b>  |  |                                 |                    |  |                 |                               |                         |                         |
| (29) I am a duly authorized representative of the Government of _____ and upon behalf of said Government, accept this offer under the terms and conditions contained herein (30) this _____ day of _____ 19____  |  |                                 |                    | (33) MARK FOR CODE _____   |                 |                               |                         |                         |
| (31) _____<br>SIGNATURE  |  |                                 |                    | (34) FREIGHT FORWARDER CODE _____  |                 |                               |                         |                         |
| (32) _____<br>TYPED NAME AND TITLE   |  |                                 |                    | (35) PROCURING AGENCY _____  |                 |                               |                         |                         |
|  |  |                                 |                    | (36) DESIGNATED PAYING OFFICE _____  |                 |                               |                         |                         |
|  |  |                                 |                    | (37) ADDRESS OF DESIGNATED PAYING OFFICE _____   |                 |                               |                         |                         |

Form  
DD FORM 1513

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Table 2-16

**FMS PLANNING DIRECTIVE (DD FORM 2061) EXAMPLE**

| FMS PLANNING DIRECTIVE   |                             |             |                             |                             |                           |  |                                      |                            |                        |  |                                       |   |  |
|--|-----------------------------|-------------|-----------------------------|-----------------------------|---------------------------|--|--------------------------------------|----------------------------|------------------------|--|---------------------------------------|---|--|
| (1) FMS Case No. <u>BD-P-KAA</u><br>(2) FMS Case Submitted to Foreign Government<br>(3) Date Offer Expires<br>(4) Date Case Accepted by Foreign Government                                   |                             |             |                             |                             |                           |  |                                      |                            |                        |  |                                       |   |  |
| (5) Total Case Value <u>94,841</u><br>(6) Control Number <u>BD-KAA-98100-01</u><br>(7) Date Prepared <u>30 Jun 1995</u><br>(8) DoD Component <u>Naval Smith</u><br><u>NAVAIR AV 222-7890</u> |                             |             |                             |                             |                           |  |                                      |                            |                        |  |                                       |   |  |
| (9)<br>Case<br>Item<br>No  | (10)<br>Item<br>Description | (11)<br>Qty | (12)<br>Pricing<br>Elements | (13)<br>Financing<br>Approv | (14)<br>Estimated<br>Cost | (15)<br>Direct Cita/<br>Obligi Auth Rec'd<br>to Date ( ) | (16)<br>Funding Required to Date ( ) |                            |                        | (17)<br>Current<br>FY (88 )<br>Funding<br>Plan | (18)<br>Remaining<br>Program<br>Value | (19)<br>Budget<br>Year ( )<br>Funding<br>Plan |  |
|  |                             |             |                             |                             |                           |  | Obligations<br>Incurred              | Unobligated<br>Commitments | Items<br>from<br>Stock |  |                                       |   |  |
| .001   | FMSO 1 -<br>Part A          |             | SR                          | NSF                         | 7,490                     |  |                                      |                            |                        | 7,490  |                                       |   |  |
|  |                             |             | SR                          | APA                         | 10,000                    |  |                                      |                            |                        | 10,000   |                                       |   |  |
|  |                             |             | SR                          | DLA                         | 10,000                    |  |                                      |                            |                        | 10,000   |                                       |   |  |
|  | FMSO 1 -<br>Part B          |             | SR                          | NSF                         | 15,976                    |  |                                      |                            |                        | 15,976   |                                       |   |  |
|  |                             |             | SR                          | APA                         | 25,000                    |  |                                      |                            |                        | 25,000   |                                       |   |  |
|  |                             |             | SR                          | DLA                         | 25,000                    |  |                                      |                            |                        | 25,000   |                                       |   |  |
|  | NET CASE VALUE              |             |                             |                             | 93,466                    |  |                                      |                            |                        | 93,466   |                                       |   |  |
|  | ADMIN (5% of Part A)        |             |                             |                             | 1,375                     |  |                                      |                            |                        | 1,375  |                                       |   |  |
|  | TOTAL CASE VALUE            |             |                             |                             | 94,841                    |  |                                      |                            |                        | 94,841   |                                       |   |  |

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Table 2-17

**FMS OBLIGATIONAL AUTHORITY (DD FORM 2060) EXAMPLE**

| FMS OBLIGATIONAL AUTHORITY                   |                            |  |                             |   |                 |                  |                                |                     |                                       |
|--|----------------------------|--|-----------------------------|---|-----------------|------------------|--------------------------------|---------------------|---------------------------------------|
| (1) Performing Component <u>Navy</u>         |                            |  |                             |   |                 |                  |                                |                     |                                       |
| (2) Period Covered <u>1998</u>               |                            |  |                             |   |                 |                  |                                |                     |                                       |
| FMS Case Commitment/Obligation Authority     |                            |  |                             |   |                 |                  |                                |                     |                                       |
| (3)<br>FMS Planning<br>Directive             | (4)<br>Total<br>Case Value | (5)<br>Amount to<br>Be Held in<br>Trust Fund | (6)<br>Net<br>Case<br>Value | Prior Period Reimbursable<br>Funding/Direct Authority (FY ) |                 |                  | Authority Required This FY ( ) |                     | (12)<br>Remaining<br>Program<br>Value |
|  |                            |  |                             | (7)<br>Received   | (8)<br>Required | (9)<br>Withdrawn | (10)<br>Reimbursable           | (11)<br>Direct Cite |                                       |
| BD-KAA-86100-01                              | 94,841                     | 1,375  | 93,466                      |   |                 |                  | 93,466                         | 0                   | 0                                     |
| (13) Balance<br>brought fwd.                 |                            |  |                             |   |                 |                  |                                |                     |                                       |
| (14) Case Total                              |                            |  |                             |   |                 |                  |                                |                     |                                       |
| (15) Admin Expenses                          |                            |  |                             |   |                 |                  |                                |                     |                                       |
| (16) Total                                   |                            |  |                             |   |                 |                  |                                |                     |                                       |
| PART B: Financing Accounts                   |                            |  |                             |   |                 |                  |                                |                     |                                       |
| (17) Appropriation Title (18) Account Symbol |                            |  |                             |   |                 |                  |                                |                     |                                       |
| NSF  |                            |  | 23,466                      |   |                 |                  | 23,466                         | 0                   | 0                                     |
| APA  |                            |  | 35,000                      |   |                 |                  | 35,000                         | 0                   | 0                                     |
| DLA  |                            |  | 35,000                      |   |                 |                  | 35,000                         | 0                   | 0                                     |
| (19) Balance Brought Forward                 |                            |  | 93,466                      |   |                 |                  | 93,466                         | 0                   | 0                                     |
| (20) Obligational Authority                  |                            |  |                             |   |                 |                  |                                |                     |                                       |

(21) We will accept (1) orders to be performed on a reimbursable basis in the amounts shown in column 16, (2) authority for a direct cite against 97-1135242 for amounts designated (C) in column 11, and (3) allocations in amounts designated (A) in column 11.

(22) In approving this form, we hereby issue (1) reimbursable orders on a case-by-case basis as shown in column 16, (2) authority for performance on a direct cite basis for the total of the amounts designated (C) in column 11 but not to exceed the amounts specified by case, and (3) an allocation for the total of the amounts designated (A) in column 11 but not to exceed the amounts specified by case.

Name of Accepting/Requesting Official \_\_\_\_\_

Name of Officing/Approving Official \_\_\_\_\_

(23) Approval Control No. \_\_\_\_\_

DD Form 2060  
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Table 2-18

**UNITED STATES DEPARTMENT OF DEFENSE**  
**OFFER AND ACCEPTANCE (DD FORM 1513) EXAMPLE**

|   |  |                  |                                 |   |                    |   |                                       |                                       |
|---|--|------------------|---------------------------------|---|--------------------|---|---------------------------------------|---------------------------------------|
| <b>UNITED STATES DEPARTMENT OF DEFENSE</b><br><b>OFFER AND ACCEPTANCE</b>   |  |                  |                                 | (1) PURCHASER (Name and Address) (ZIP Code)<br><br>Ministry of Defense<br>Anywhere, Bandaria  |                    |   |                                       |                                       |
| (2) PURCHASER'S REFERENCE   |  |                  | (3) CASE IDENTIFIER<br>BD-P-KBA |   |                    |   |                                       |                                       |
| <b>OFFER</b>  |  |                  |                                 |   |                    |   |                                       |                                       |
| <small>Pursuant to the Arms Export Control Act, the Government of the United States (USG) hereby offers to sell to the above purchaser the defense articles and defense services listed below (hereinafter referred to collectively as "items" and individually as "defense articles" or "services"), subject to the terms contained herein and conditions set forth in Annex A. and to such other special terms and conditions which may be part of, and appended to, this Offer and Acceptance.</small> |  |                  |                                 |   |                    |   |                                       |                                       |
| (4) _____<br>Signature (U.S. Dept/Agency Authorized Representative)   |  |                  |                                 | (9) _____<br>Countersignature (Office of the Comptroller, DSAA) (Date)  |                    |   |                                       |                                       |
| (5) _____<br>Typed Name and Title   |  |                  |                                 | (10) _____<br>Typed Name and Title  |                    |   |                                       |                                       |
| (6) ADDRESS: _____  |  |                  |                                 | (11) DSAA ACCOUNTING ACTIVITY _____   |                    |   |                                       |                                       |
| (7) DATE: _____   |  |                  |                                 |   |                    |   |                                       |                                       |
| (8) THIS OFFER EXPIRES: _____   |  |                  |                                 |   |                    |   |                                       |                                       |
| <small>NOTE: This offer must be accepted not later than the date shown in block 8. Within five (5) days of the acceptance, you must notify the Office of the Comptroller, DSAA. Otherwise, this Offer is cancelled and retention of initial deposit by offerer pending disposition instructions shall not be deemed a waiver of such cancellation. Request prompt notification if this offer is rejected.</small>   |  |                  |                                 |   |                    |   |                                       |                                       |
| ITEM<br>OR<br>REF.<br>NO.<br>(12)   | ITEM DESCRIPTION<br>(Including Stock Number<br>if applicable)<br>(13)  | QUANTITY<br>(14) | UNIT<br>OF<br>ISSUE<br>(15)     | ESTIMATED   |                    | AVAILA-<br>BILITY<br>AND<br>REMARKS<br>(18) | OFFER<br>RE-<br>LEASE<br>CODE<br>(19) | DE-<br>LIVERY<br>TERM<br>CODE<br>(20) |
| 001   | 2C1 G4C 9G4G00EQMT<br><br>FMSO 2 Requisition Case<br>(Includes storage [Note:<br>1.5% of line 1 of FMSO No.<br>1, or \$27,490 X 1.5%]) |                  |                                 | UNIT COST<br>(16)   | TOTAL COST<br>(17) | X   |                                       | 5                                     |
|   |  |                  |                                 | (21) ESTIMATED COST \$ 66,389   |                    |   |                                       |                                       |
|   |  |                  |                                 | (22) ESTIMATED PACKING, CRATING, AND HANDLING COST \$   |                    |   |                                       |                                       |
|   |  |                  |                                 | (23) ESTIMATED GENERAL ADMINISTRATIVE COSTS \$  |                    |   |                                       |                                       |
|   |  |                  |                                 | (24) ESTIMATED CHARGES FOR SUPPLY SUPPORT ARRANGEMENT \$ 1,992  |                    |   |                                       |                                       |
|   |  |                  |                                 | (25) OTHER ESTIMATED COSTS Asset Use & Transportation \$  |                    |   |                                       |                                       |
|   |  |                  |                                 | (26) ESTIMATED TOTAL COSTS \$ 68,381  |                    |   |                                       |                                       |
| (27) TERMS  |  |                  |                                 | (28) AMOUNT OF INITIAL DEPOSIT - \$ 17,096  |                    |   |                                       |                                       |
| <b>ACCEPTANCE</b>   |  |                  |                                 |   |                    |   |                                       |                                       |
| (29) I am a duly authorized representative of the Government of _____ and upon behalf of _____ said Government, accept this offer under the terms and conditions contained herein (30) this _____ day of _____ 19____   |  |                  |                                 | (33) MARK FOR CODE _____<br>(34) FREIGHT FORWARDER CODE _____<br>(35) PROCURING AGENCY _____<br>(36) DESIGNATED PAYING OFFICE _____<br>(37) ADDRESS OF DESIGNATED PAYING OFFICE _____ |                    |   |                                       |                                       |
| (31) _____<br>SIGNATURE   |  |                  |                                 | (32) _____<br>TYPED NAME AND TITLE  |                    |   |                                       |                                       |

Table 2-19



FMS PLANNING DIRECTIVE (DD FORM 2061) EXAMPLE

| FMS PLANNING DIRECTIVE  |                             |              |                             |                              |                           |   |                                      |                            |                        |  |                                       |   |  |
|---|-----------------------------|--------------|-----------------------------|------------------------------|---------------------------|---|--------------------------------------|----------------------------|------------------------|--|---------------------------------------|---|--|
| (1) FMS Case No. <u>BD-F-KBA</u><br>(2) FMS Case Submitted to Foreign Government<br>(3) Date Offer Expires<br>(4) Date Case Accepted by Foreign Government                                    |                             |              |                             |                              |                           |   |                                      |                            |                        |  |                                       |   |  |
| (5) Total Case Value <u>73,825</u><br>(6) Control Number <u>BD-KBA-98100-01</u><br>(7) Date Prepared <u>30 Jun 1995</u><br>(8) DoD Component <u>Navy/L Smith</u><br><u>NAVAIR AV 222-7890</u> |                             |              |                             |                              |                           |   |                                      |                            |                        |  |                                       |   |  |
| (9)<br>Case<br>Item<br>No.  | (10)<br>Item<br>Description | (11)<br>Qty. | (12)<br>Pricing<br>Elements | (13)<br>Financing<br>Approv. | (14)<br>Estimated<br>Cost | (15)<br>Direct Cite/<br>Oblig Auth Rec'd<br>to Date ( ) | (16)<br>Funding Required to Date ( ) |                            |                        | (17)<br>Current<br>FY (86 )<br>Funding<br>Plan | (18)<br>Remaining<br>Program<br>Value | (19)<br>Budget<br>Year ( )<br>Funding<br>Plan |  |
|   |                             |              |                             |                              |                           |   | Obligations<br>Incurred              | Unobligated<br>Commitments | Items<br>from<br>Stock |  |                                       |   |  |
| .001.   | FMSO 2 -                    |              | SR                          | NSF                          | 15,976                    |   |                                      |                            |                        | 15,976   |                                       |   |  |
|   | Storage                     |              | SR                          | APA                          | 25,000                    |   |                                      |                            |                        | 25,000   |                                       |   |  |
|   |                             |              | SR                          | DLA                          | 25,000                    |   |                                      |                            |                        | 25,000   |                                       |   |  |
|   |                             |              | OS                          | OMN                          | 413                       |   |                                      |                            |                        | 413  |                                       |   |  |
|   | NET CASE VALUE              |              |                             |                              | 66,389                    |   |                                      |                            |                        | 66,389   |                                       |   |  |
|   | ADMIN                       |              |                             |                              | 1,992                     |   |                                      |                            |                        | 1,992  |                                       |   |  |
|   | TOTAL CASE VALUE            |              |                             |                              | 68,381                    |   |                                      |                            |                        | 68,381   |                                       |   |  |

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Table 2-20

**FMS OBLIGATIONAL AUTHORITY (DD FORM 2060) EXAMPLE**

| FMS OBLIGATIONAL AUTHORITY  |                            |  |                             |  |                 |                  |                                |                     |                                       | (1) Performing Component | Navy |
|---|----------------------------|--|-----------------------------|--|-----------------|------------------|--------------------------------|---------------------|---------------------------------------|--------------------------|------|
| FMS Case Commitment/Obligation Authority  |                            |  |                             |  |                 |                  |                                |                     |                                       | (2) Period Covered       | 1995 |
| (3)<br>FMS Planning<br>Directive<br>Control No.   | (4)<br>Total<br>Case Value | (5)<br>Amount to<br>Be Held in<br>Trust Fund | (6)<br>Net<br>Case<br>Value | Prior Period Reimbursable<br>Funding/Direct Authority (FY. ) |                 |                  | Authority Required This FY ( ) |                     | (12)<br>Remaining<br>Program<br>Value |                          |      |
|   |                            |  |                             | (7)<br>Received  | (8)<br>Required | (9)<br>Withdrawn | (10)<br>Reimbursable           | (11)<br>Direct Cite |                                       |                          |      |
| BD-P-KBA  | 73,825                     | 7,436  | 66,389                      |  |                 |                  | 66,389                         | 0                   | 0                                     |                          |      |
| (13) Balance<br>brought<br>forward  |                            |  |                             |  |                 |                  |                                |                     |                                       |                          |      |
| (14) Case Total   |                            |  |                             |  |                 |                  |                                |                     |                                       |                          |      |
| (15) Admin Expense  |                            |  |                             |  |                 |                  |                                |                     |                                       |                          |      |
| (16) Total  |                            |  |                             |  |                 |                  |                                |                     |                                       |                          |      |
| PART B: Financing Accounts  |                            |  |                             |  |                 |                  |                                |                     |                                       |                          |      |
| (17) Appropriation Title— (18) Account Symbol—  |                            |  |                             |  |                 |                  |                                |                     |                                       |                          |      |
| NSF   |                            |  | 16,389                      |  |                 |                  | 16,389                         | 0                   | 0                                     |                          |      |
| APA   |                            |  | 25,000                      |  |                 |                  | 25,000                         | 0                   | 0                                     |                          |      |
| DLA   |                            |  | 25,000                      |  |                 |                  | 25,000                         | 0                   | 0                                     |                          |      |
| (19) Balance Brought Forward  |                            |  | 66,389                      |  |                 |                  | 66,389                         | 0                   | 0                                     |                          |      |
| (20) Obligational Authority   |                            |  |                             |  |                 |                  |                                |                     |                                       |                          |      |
| (21) We will accept (1) orders to be performed on a reimbursable basis in the amounts shown in column 10, (2) authority for a direct cite against 97-11X5242 for amounts designated (C) in column 11, and (3) allotments in amounts designated (A) in column 11.  |                            |  |                             |  |                 |                  |                                |                     |                                       |                          |      |
| (22) In approving this form, we hereby issue (1) reimbursable orders on a case-by-case basis as shown in column 10, (2) authority for performance on a direct cite basis for the total of the amounts designated (C) in column 11 but not to exceed the amounts specified by case, and (3) an allotment for the total of the amounts designated (A) in column 11 but not to exceed the amounts specified by case. |                            |  |                             |  |                 |                  |                                |                     |                                       |                          |      |
| Name of Accepting/Requesting Official   |                            |  |                             |  |                 |                  |                                |                     |                                       |                          |      |
| Name of Offering/Approving Official   |                            |  |                             |  |                 |                  |                                |                     |                                       |                          |      |
| (23) Approval Control No.   |                            |  |                             |  |                 |                  |                                |                     |                                       |                          |      |

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Table 2-21

**0204    PREPARATION AND PROCESSING OF DD FORMS 2060 FOR FMS ADMINISTRATIVE BUDGET AND LOGISTICS EXPENSE**

★     020401.     General. A budget call for the FMS administrative charge will be issued by the DSCA. A DD Form 2060 requesting an allotment to fund actual FMS administrative expenses shall be prepared by a DoD Component upon receipt of the approved the DSCA budget for actual FMS administrative expenses. The initial DD Form 2060 shall request an allotment for the first quarter of the applicable fiscal year. Thereafter, DD Form 2060 shall be submitted prior to the start of each remaining quarter and at the end of the fiscal year. A total of five DD Forms 2060 are required. The deadline(s) for submission to the DFAS-DE/I of the DD Forms 2060 requesting allotment of administrative funds and logistics support funds is as follows: 10 September - 1st Quarter; 10 December - 2nd Quarter; 10 March - 3rd Quarter; 10 June - 4th Quarter; 20 October - End of Year Adjustment. The DSCA will then issue allocations of FMS administrative funds to DoD Components not later than the 20th day of the respective month. Administrative expenses shall be charged directly to the allotment received. Upon receipt of status of allotment reports, the DFAS-DE/I shall, based on organization code, debit the actual cost of administrative organizations to the FMS administrative charge account.

020402.     Preparation. An example of the initial DD Form 2060 is contained in Table 2-22. The approved annual FMS Administrative Budget shall be entered in Part A, Column 6 for "Net Case Value." Column 11 shall reflect the allotment (OA/EA) required for the first quarter. Column 12 shall reflect the difference between Column 6 and Column 11. Table 2-23 contains an example of a follow-up DD Form 2060 (second quarter). Column 7, Part A, shall reflect the amount of OA/EA issued by the DFAS-DE/I in the first quarter; Column 8 the amount actually required; and Column 9, the difference between Column 7 and Column 8. The amount in Column 9 will be withdrawn and reissued as part of the second quarter's required allotment. Column 11 shall reflect the allotment (OA/EA) required for the current quarter (i.e., the second quarter). Column 12 is the difference between Column 6 and the sum of Columns 8 and 11 (i.e., total annual budget minus first quarter's actual OA/EA requirements and the second quarter's anticipated OA/EA requirements). For subsequent DD Forms 2060, Columns 7, 8, and 9 will represent cumulative amounts. The unobligated amount in Column 9 of the DD Forms 2060 for year-end will be available for withdrawal by the DFAS-DE/I.

020403.     Year-End Report. Table 2-24 is an example of a completed year-end DD Form 2060. Part B of the second-through-fourth quarter DD Forms 2060, as well as the final DD Form 2060 at the end of the fiscal year (see Table 2-23 for the second quarter), also shall be completed. Part B shall contain the cumulative dollar amounts of the Trust Fund allotment used for issuing reimbursable order to appropriation accounts by appropriation and cumulative quarterly amounts directly cited to the FMS Trust Fund. Implementing agencies must ensure hardcopy reports agree with computerized submissions. No outstanding commitments should be reported.

**FMS OBLIGATIONAL AUTHORITY (DD FORM 2060) EXAMPLE**

| FMS OBLIGATIONAL AUTHORITY                   |                            |  |                             |   |                 |                  |                                |                     |                                       |
|--|----------------------------|--|-----------------------------|---|-----------------|------------------|--------------------------------|---------------------|---------------------------------------|
| FMS Case Commitment/Obligation Authority     |                            |  |                             |   |                 |                  |                                |                     |                                       |
| (3)<br>FMS Planning<br>Directive             | (4)<br>Total<br>Case Value | (5)<br>Amount to<br>Be Held in<br>Trust Fund | (6)<br>Net<br>Case<br>Value | Prior Period Reimbursable<br>Funding/Direct Authority (FY ) |                 |                  | Authority Required This FY ( ) |                     | (12)<br>Remaining<br>Program<br>Value |
|  |                            |  |                             | (7)<br>Received   | (8)<br>Required | (9)<br>Withdrawn | (10)<br>Reimbursable           | (11)<br>Direct Cite |                                       |
| N/A  |                            |  | 100,000,000                 | 0   | 0               | 0                | 0                              | 30,000,000          | 70,000,000                            |
| (13) Balance<br>brought<br>forward           |                            |  |                             |   |                 |                  |                                |                     |                                       |
| (14) Case Total                              |                            |  | 100,000,000                 | 0   | 0               | 0                | 0                              | 30,000,000          | 70,000,000                            |
| (15) Admin Expense                           |                            |  |                             |   |                 |                  |                                |                     |                                       |
| (16) Total                                   |                            |  |                             |   |                 |                  |                                |                     |                                       |
| PART B: Financing Accounts                   |                            |  |                             |   |                 |                  |                                |                     |                                       |
| (17) Appropriation Title (18) Account Symbol |                            |  |                             |   |                 |                  |                                |                     |                                       |
| (19) Balance Brought Forward                 |                            |  |                             |   |                 |                  |                                |                     |                                       |
| (20) Obligational Authority                  |                            |  | 0                           | 0   | 0               | 0                | 0                              | 0                   | 0                                     |

(21) We will accept (1) orders to be performed on a reimbursable basis in the amounts shown in column (1), (2) authority for performance on a direct cite basis for the total of the amounts designated in column (1) but not to exceed the amounts designated (A) in column (1) and (3) an allotment for the total of the amounts designated (A) in column (1) but not to exceed the amounts specified by case.

(22) In approving this form, we hereby issue (1) reimbursable orders on a case-by-case basis as shown in column (1), (2) authority for performance on a direct cite basis for the total of the amounts designated in column (1) but not to exceed the amounts designated (A) in column (1) and (3) an allotment for the total of the amounts designated (A) in column (1) but not to exceed the amounts specified by case.

Name of Accepting/Requesting Official \_\_\_\_\_

Name of Officing/Approving Official \_\_\_\_\_

(23) Approval Control No. \_\_\_\_\_

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Table 2-22

**FMS OBLIGATIONAL AUTHORITY (DD FORM 2060) EXAMPLE**

| FMS OBLIGATIONAL AUTHORITY  |                            |   |                             |   |                 |                  |                                     |                     |                                       |
|---|----------------------------|---|-----------------------------|---|-----------------|------------------|-------------------------------------|---------------------|---------------------------------------|
| FMS Case Commitment/Obligation Authority  |                            |   |                             |   |                 |                  |                                     |                     |                                       |
| (1) Performing Component: <u>ALC Force</u>  |                            |   |                             |   |                 |                  |                                     |                     |                                       |
| (2) Period Covered: <u>2nd Qtr 1988</u>   |                            |   |                             |   |                 |                  |                                     |                     |                                       |
| (3)<br>FMS Planning<br>Directive<br>Control No.   | (4)<br>Total<br>Case Value | (5)<br>Amount to<br>Be Held in<br>Trust Fund  | (6)<br>Net<br>Case<br>Value | (7) Prior Period Reimbursable<br>Funding/Direct Authority (FY ) |                 |                  | (10) Authority Required This FY ( ) |                     | (12)<br>Remaining<br>Program<br>Value |
|   |                            |   |                             | (7)<br>Received   | (8)<br>Required | (9)<br>Withdrawn | (10)<br>Reimbursable                | (11)<br>Direct Cite |                                       |
| N/A   |                            |   | 100,000,000                 | 30,000,000  | 25,000,000      | 5,000,000        |                                     | 30,000,000          | 45,000,000                            |
| (13) Balance<br>brought<br>forward  |                            |   |                             |   |                 |                  |                                     |                     |                                       |
| (14) Case Total   |                            |   |                             |   |                 |                  |                                     |                     |                                       |
| (15) Admin Expense  |                            |   |                             |   |                 |                  |                                     |                     |                                       |
| (16) Total  |                            |   | 100,000,000                 | 30,000,000  | 25,000,000      | 5,000,000        |                                     | 30,000,000          | 45,000,000                            |
| PART B: Planning Accounts   |                            |   |                             |   |                 |                  |                                     |                     |                                       |
| (17) Appropriation Title  | (18) Account Symbol        |   |                             |   |                 |                  |                                     |                     |                                       |
| O&M   | 5763400                    |   |                             |   |                 |                  |                                     |                     |                                       |
| MP  | 5763500                    |   |                             |   |                 |                  |                                     |                     |                                       |
| RD&E  | 5763600                    |   |                             |   |                 |                  |                                     |                     |                                       |
| Misc Receipts   | 57 3041                    |   |                             |   |                 |                  |                                     |                     |                                       |
| Direct Cite   | 5711X222                   |   |                             |   |                 |                  |                                     |                     |                                       |
| (19) Balance Brought Forward  |                            |   |                             |   |                 |                  |                                     |                     |                                       |
| (20) Obligational Authority   |                            |   |                             |   |                 |                  |                                     |                     |                                       |
| (21) We will accept (1) orders to be performed on a reimbursable basis in the amounts shown in column 10, (2) authority for a direct cite against 97-11X222 for amounts designated (C) in column 11, and (3) allotments in amounts designated (A) in column 11. |                            | (22) In approving this form, we hereby issue (1) reimbursable orders on a case-by-case basis as shown in column 10, (2) authority for performance on a direct cite basis for the total of the amounts designated (C) in column 11 but not to exceed the amounts specified by case, and (3) an allotment for the total of the amounts designated (A) in column 11 but not to exceed the amounts specified by case. |                             |   |                 |                  |                                     |                     |                                       |
| Name of Accepting/Requesting Official _____   |                            | Name of Offsetting/Approving Official _____   |                             |   |                 |                  |                                     |                     |                                       |
|   |                            | (23) Approval Control No. _____   |                             |   |                 |                  |                                     |                     |                                       |

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Table 2-23

**FMS OBLIGATIONAL AUTHORITY (DD FORM 2060) EXAMPLE**

| FMS OBLIGATIONAL AUTHORITY               |                            |  |                             |   |                 |                                |                      |                                       |                     |
|--|----------------------------|--|-----------------------------|---|-----------------|--------------------------------|----------------------|---------------------------------------|---------------------|
| FMS Case Commitment/Obligation Authority |                            |  |                             |   |                 |                                |                      |                                       |                     |
| (3)<br>FMS Planning<br>Directive         | (4)<br>Total<br>Case Value | (5)<br>Amount to<br>Be Held in<br>Trust Fund | (6)<br>Net<br>Case<br>Value | Prior Period Reimbursable<br>Funding/Direct Authority (FY ) |                 | Authority Required This FY ( ) |                      | (12)<br>Remaining<br>Program<br>Value |                     |
|  |                            |  |                             | (7)<br>Received   | (8)<br>Required | (9)<br>Withdrawn               | (10)<br>Reimbursable |                                       | (11)<br>Direct Cite |
| N/A                                      |                            |  | 100,000,000                 |   | 95,000,000      | 100,000,000                    | 5,000,000            | 30,000,000                            | 45,000,000          |
| (13) Balance<br>brought fwd.             |                            |  |                             |   |                 |                                |                      |                                       |                     |
| (14) Case Total                          |                            |  |                             |   |                 |                                |                      |                                       |                     |
| (15) Admin Expense                       |                            |  |                             |   |                 |                                |                      |                                       |                     |
| (16) Total                               |                            |  | 100,000,000                 |   | 95,000,000      | 100,000,000                    | 5,000,000            | 30,000,000                            | 45,000,000          |
| <b>PART B: Financing Accounts</b>        |                            |  |                             |   |                 |                                |                      |                                       |                     |
| (17) Appropriation Title                 | (18) Account Symbol        |  |                             |   |                 |                                |                      |                                       |                     |
| O&M                                      | 57 6 3400                  |  |                             |   |                 |                                |                      |                                       |                     |
| MP                                       | 57 6 3500                  |  |                             |   |                 |                                |                      |                                       |                     |
| RD&E                                     | 57 6 3600                  |  |                             |   |                 |                                |                      |                                       |                     |
| Misc Receipts                            | 57 3041                    |  |                             |   |                 |                                |                      |                                       |                     |
| Direct Cite                              | 571X8242                   |  |                             |   |                 |                                |                      |                                       |                     |
| (19) Balance Brought Forward             |                            |  |                             |   |                 |                                |                      |                                       |                     |
| (20) Obligational Authority              |                            |  |                             |   |                 |                                |                      |                                       |                     |

(21) We will accept (1) orders to be performed on a reimbursable basis in the amounts designated (C) in column 11, and (3) allotments in amounts designated (A) in column 11.

Name of Accepting/Requesting Official \_\_\_\_\_

(22) In approving this form, we hereby issue (1) reimbursable orders on a case-by-case basis as shown in column 10, (2) authority for performance on a direct cite basis for the total of the amounts designated (C) in column 11 but not to exceed the amounts specified by case, and (3) an allotment for the total of the amounts designated (A) in column 11 but not to exceed the amounts specified by case.

Name of Offsetting/Approving Official \_\_\_\_\_

(23) Approval Control No. \_\_\_\_\_

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Table 2-24

0205 PREPARATION AND PROCESSING OF DD FORMS 2060 FOR CONTRACT ADMINISTRATION SERVICES (CAS) PROVIDED BY DOD ON COMMERCIAL CONTRACTS

020501. General. New York Control Point of the Defense Logistics Agency (DLA-DCMC International) is the DoD central control point (CCP) for processing foreign country and international organization requests for DoD Contract Administration Services support of commercial contracts. The cases developed by the DoD Central Control Point (DoDCCP) are entered into the DFAS Program Budget and Accounting System (PBAS). The PBAS manages FMS cases and handles the issuances of obligational/expenditure authority. The DoDCCP also uses the PBAS for billing and collection purposes.

0206 PREPARATION AND PROCESSING OF DD FORMS 2060 FOR CONTRACT ADMINISTRATION COSTS INCURRED IN SUPPORT OF FMS CONTRACTS

020601. DD Form 2060 Processing. Paragraph 070405 prescribes a method for recovering the cost incurred in performing contract administration and contract audit on contracts awarded as a result of customer acceptance of an LOA.

★ A. Before actual contract administration and audit costs may be incurred, the DoD Component must establish a reimbursable order in the financing appropriation which will initially pay the actual cost of such services. DoD Components shall submit a letter to the DSCA Comptroller and to the DFAS-DE/I prior to start of the fiscal year. The letter shall specify the amount of anticipated reimbursements for services to be performed during the new fiscal year. The letter to DFAS-DE/I shall be accompanied by a DD Form 2060 which contains in Column 6, Part A, the amount of anticipated reimbursements specified in the letter. Part B of the DD Form 2060 shall list the appropriations and anticipated reimbursements to each. Upon approval of the budget estimate by DSCA, the DFAS-DE/I will approve the DD Form 2060.

B. The approved DD Form 2060 shall constitute the reimbursable order to perform contract administration (or audit) on FMS contracts. There will be no requirement to update this DD Form 2060 until the end of the fiscal year unless there is a change before that time. The year-end DD Form 2060 shall show the actual cost incurred by appropriation. The DFAS-DE/I will use this DD Form 2060 as the basis for withdrawing obligational authority for unobligated balances.

C. Tables 2-25 and 2-26 illustrate the initial and year-end DD Form 2060.

**FMS OBLIGATIONAL AUTHORITY (DD FORM 2060) EXAMPLE**

| FMS OBLIGATIONAL AUTHORITY               |                            |  |                             |   |                 |                                |                      |                                       |                    |
|--|----------------------------|--|-----------------------------|---|-----------------|--------------------------------|----------------------|---------------------------------------|--------------------|
| FMS Case Commitment/Obligation Authority |                            |  |                             |   |                 |                                |                      |                                       |                    |
| (3)<br>FMS Planning<br>Directive         | (4)<br>Total<br>Case Value | (5)<br>Amount to<br>Be Held in<br>Trust Fund | (6)<br>Net<br>Case<br>Value | Prior Period Reimbursable<br>Funding/Direct Authority (FY ) |                 | Authority Required This FY ( ) |                      | (12)<br>Remaining<br>Program<br>Value |                    |
|  |                            |  |                             | (7)<br>Received   | (8)<br>Required | (9)<br>Withdrawn               | (10)<br>Reimbursable |                                       | (11)<br>Direct Cte |
| N/A                                      |                            |  | 12,000,000                  | 0   | 0               | 0                              | 12,000,000           | 0                                     |                    |
| (13) Balance<br>brought fwd.             |                            |  |                             |   |                 |                                |                      |                                       |                    |
| (14) Case Total                          |                            |  | 12,000,000                  | 0   | 0               | 0                              | 12,000,000           | 0                                     |                    |
| (15) Admin Expense                       |                            |  |                             |   |                 |                                |                      |                                       |                    |
| (16) Total                               |                            |  |                             |   |                 |                                |                      |                                       |                    |
| PART B: Financing Accounts               |                            |  |                             |   |                 |                                |                      |                                       |                    |
| (17) Appropriation Title                 | (18) Account Symbol        |  |                             |   |                 |                                |                      |                                       |                    |
| OSM, AF                                  | 5713400                    |  |                             | 0   | 0               | 0                              | 10,100,000           | 0                                     |                    |
| MP, AF                                   | 5715500                    |  |                             | 0   | 0               | 0                              | 442,888              | 0                                     |                    |
| Misc Receipts, AF                        | 573041                     |  |                             | 0   | 0               | 0                              | 1,457,312            | 0                                     |                    |
| (19) Balance Brought Forward             |                            |  |                             |   |                 |                                |                      |                                       |                    |
| (20) Obligational Authority              |                            |  | 12,000,000                  | 0   | 0               | 0                              | 12,000,000           | 0                                     |                    |

(21) We will accept (1) orders to be performed on a reimbursable basis in the amounts shown in column 16, (2) authority for a direct case against 97-1103542 for amounts designated (2) in column 11, and (3) allotments in amounts designated (A) in column 11.

(22) In approving this form, we hereby issue (1) reimbursable orders on a case-by-case basis as shown in column 16, (2) authority for performance on a direct case basis for the total of the amounts designated (C) in column 11 but not to exceed the amounts specified by case, and (3) an allotment for the total of the amounts designated (A) in column 11 but not to exceed the amounts specified by case.

Name of Accepting/Requesting Official \_\_\_\_\_

Name of Offering/Approving Official \_\_\_\_\_

(23) Approval Control No. \_\_\_\_\_

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Table 2-25



**FMS OBLIGATIONAL AUTHORITY (DD FORM 2060) EXAMPLE**

| FMS OBLIGATIONAL AUTHORITY                                 |                            |  |                             |   |                 |  |                      |                                       |                     |
|--|----------------------------|--|-----------------------------|---|-----------------|--|----------------------|---------------------------------------|---------------------|
| (1) Performing Component <u>    </u> Air Force <u>    </u> |                            |  |                             |   |                 |  |                      |                                       |                     |
| (2) Period Covered <u>    </u> Year-End <u>    </u>        |                            |  |                             |   |                 |  |                      |                                       |                     |
| (3)<br>FMS Planning<br>Directive                           | (4)<br>Total<br>Case Value | (5)<br>Amount to<br>Be Held in<br>Trust Fund | (6)<br>Net<br>Case<br>Value | Prior Period Reimbursable<br>Funding/Direct Authority (FY <u>    </u> ) |                 | Authority Required This FY ( <u>    </u> ) |                      | (12)<br>Remaining<br>Program<br>Value |                     |
|  |                            |  |                             | (7)<br>Received   | (8)<br>Required | (9)<br>Withdrawn                           | (10)<br>Reimbursable |                                       | (11)<br>Direct Cite |
| N/A  |                            |  | 12,000,000                  | 12,000,000  | 11,859,225      | 140,775                                    |                      | 0                                     |                     |
| (13) Balance<br>brought fwd.                               |                            |  |                             |   |                 |  |                      |                                       |                     |
| (14) Case Total  |                            |  |                             |   |                 |  |                      |                                       |                     |
| (15) Admin Expense   |                            |  |                             |   |                 |  |                      |                                       |                     |
| (16) Total   |                            |  | 12,000,000                  | 12,000,000  | 11,859,225      | 140,775                                    |                      | 0                                     |                     |
| PART B: Financing Accounts                                 |                            |  |                             |   |                 |  |                      |                                       |                     |
| (17) Appropriation Title (18) Account Symbol               |                            |  |                             |   |                 |  |                      |                                       |                     |
| O&M, AF  | 5713400                    |  |                             |   |                 |  |                      |                                       |                     |
| MP, AF   | 5713500                    |  |                             |   |                 |  |                      |                                       |                     |
| Misc Receipts, AF  | 573041                     |  |                             |   |                 |  |                      |                                       |                     |
| (19) Balance Brought Forward                               |                            |  |                             |   |                 |  |                      |                                       |                     |
| (20) Obligational Authority                                |                            |  | 12,000,000                  | 12,000,000  | 11,859,225      | 140,775                                    |                      |                                       |                     |

(21) We will accept (1) orders to be performed on a reimbursable basis in the amounts shown in column (6), (2) authority for a direct cite against 97-110242 for amounts designated (C) in column (1), and (3) allotments in amounts designated (A) in column (1).

(22) In approving this form, we hereby issue (1) reimbursable orders on a case-by-case basis as shown in column (1), (2) authority for performance on a direct cite basis for the total of the amounts designated (C) in column (1) but not to exceed the amounts specified by case, and (3) an allotment for the total of the amounts designated (A) in column (1) but not to exceed the amounts specified by case.

Name of Accepting/Requesting Official \_\_\_\_\_

Name of Offering/Approving Official \_\_\_\_\_

(23) Approval Control No. \_\_\_\_\_

DD Form 2060  
1 MAR 79

Table 2-26

0207 BUDGET EXECUTION

020701. Objectives. This section establishes the budget execution requirements which are applicable to the FMS program. Specific objectives are to assure that:

A. Mandatory budget execution reports are submitted to the Office of Management and Budget or the Department of the Treasury in a timely manner and that the reports accurately reflect data recorded in accounting records.

B. Unnecessary FMS Obligational Authority is officially withdrawn from all organizations participating in execution of FMS cases at the end of each fiscal year.

C. FMS case records maintained by implementing agencies are in agreement with the DFAS-DE/I throughout the life of an FMS case.

020702. Responsibilities

A. The DFAS-DE/I is responsible for providing accounting data on FMS Trust Fund operation to DoD Components.

B. The DSCA is responsible for monitoring the FMS program and submission of required FMS Trust Fund budget execution reports.

C. Implementing agencies and supporting DoD Components are responsible for:

1. Conducting year-end reviews of the unobligated FMS reimbursable program to assure unnecessary budget authority is identified and returned to the FMS Trust Fund.

2. Assuring that the FMS reimbursable program is properly reported in appropriation/Defense Working Capital Fund budget execution reports.

3. Submitting financial execution reports accurately and on a timely basis.

4. Reconciling implementing agency FMS case records to the DFAS-DE/I case level accounting records on a periodic basis.

5. Preparing Case Closure Certificates as soon as possible after the case is supply complete but no longer than 24 months after such occurrence.

0208 FMS TRUST FUND BUDGET EXECUTION REPORTS

★ 020801. Execution Reports. There are eight required reports on FMS Trust Fund operations: (a) a monthly SF-133, "Report on Budget Execution for 11X8242, Advances Foreign Military Sales Executive;" (b) a monthly SF-133, "Report on Budget Execution for 11X0085, Offsetting Trust and Receipts, Military Assistance, Executive;" (c) a monthly ACCT-RPT(M)1002, "Report on Appropriations Status by Fiscal Year Programs and Subaccounts;" (d) a semi-annual "Status of Contract Authority" report, TFS Form 7304 on 11X8242; (e) a quarterly "Report on Receivables Due From the Public" on 11X8242; (f) an annual "Analysis of Appropriation and Fund Balances," TFS Form 2108 on 11X8242; (g) appropriate sections of the annual Chief Financial Officer Financial Statements (see section 209); and (h) an annual Federal Agencies' Centralized Trial-Balance System (FACTS) report. Administrative instructions for all eight reports, e.g., the number of required copies and submission times are set forth in Chapter 5 of Volume 6 of this Regulation. Illustrations and specific information about these reports can be found in the same chapter.

0209 FINANCIAL STATEMENTS

★ 020901. Statements. For financial statement guidance concerning the reporting of Foreign Military Sales amounts, see Volume 6B of this Regulation; Chapter 2, paragraph 020104; Chapter 9, paragraph 090203; and Chapter 10, paragraph 101706.

0210 CASE EXECUTION

021001. Fiscal Year-end. At the end of each fiscal year, a review of the reimbursable obligational authority received to implement an FMS case shall be accomplished. The total amount of reimbursable budget authority received is reflected in Column 10 of the DD Form 2060. The review shall serve as the basis to withdraw any unnecessary unobligated balances. The withdrawal shall be accomplished through submission of a year-end DD Form 2060 or automated equivalent. See section 202 of this Volume for instructions on the preparation of the DD Form 2060.

A. Nonexpiring Accounts. At the close of each fiscal year, reimbursable FMS obligational authority shall be retained in a performing DoD account only to the extent that (1) the amounts are required to cover certifiable obligations incurred by the performing account as a result of performance of the order; (2) the amounts have been committed within a formal commitment accounting system, for example, to cover normal administrative lead-time on the next contract escalation clauses; or, (3) items have been delivered from inventory or applicable DoD services have been performed (cash earned reimbursement). Any reimbursable FMS obligational authority not required for these purposes shall be withdrawn from the performing accounts as of September 30 each year. It is recognized that year-end reviews must be made prior to the last day of the fiscal year. Therefore, the amount of obligational authority retained may be somewhat greater than the goal. However, it is expected that estimating procedures shall be improved continually until unnecessary unobligated balances are eliminated.

★ B. Expiring and Expired Accounts. As of the close of each fiscal year, reimbursable FMS obligational authority may be reflected in an expiring account only to the extent that the amounts are earned reimbursements or required to cover certifiable obligations incurred against the performing account. Any reimbursable FMS obligational authority not required to cover obligations in the expiring account shall be withdrawn as of September 30 each year. During the fiscal year, amounts required in expired accounts shall be transferred from the Trust Fund, as necessary, to cover upward obligation adjustments necessitated by within-scope changes to contracts or similar transactions.

★ 021002. Reimbursement of Appropriations and Accounts. Reimbursement to appropriations and accounts, including miscellaneous receipts accounts, upon delivery of items from inventory or performance of DoD services shall be accomplished within 30 days of occurrence (date of shipment or performance).

021003. DD Form 2061. The FMS case DD Form 2061 prescribed in section 202 of this Volume shall be updated as required. The updating of cost elements and financing accounts is necessary to: ensure full recoupment of the costs prescribed in Chapter 7 of this Volume, ensure timely identification of cost increases, and serve as the basis for preparation of all DD Forms 2060 during the life of the case.

021004. FMS Case Closure Procedures

A. General. DoD policy requires that all proper charges and credits be recorded against the applicable FMS case. Thus, case closure does not stop the billing/reporting process, rather it results in a recategorization of the case records from an active status to an inactive status to ensure accessibility for recording subsequent activity. In other words, a case never closes from a DoD accounting perspective.

★ B. Initiating FMS Case Closure. When all ordered items have been physically delivered, all ordered services performed (i.e., supply/services complete) or there is no activity on a blanket order case for 180 days, and all other conditions of the LOA are fulfilled, an FMS case is a candidate for closure. At this time, responsible DoD Components shall determine if there are any open items or Supply Discrepancy Reports (SDRs) and contracting officers shall review any contracts that have not been financially closed to determine if significant financial adjustments of open contracts may occur. The case manager shall ensure the following actions are taken:

1. Request an FMS case Financial Management Worksheet and a listing of historical billing transactions (FK History Listing) from the DFAS-DE/I, if necessary, to reconcile implementing agency records. The implementing agency work-in-progress account should agree with the delivered value. If not, the implementing agency must submit applicable reports to balance.

2. Submit a final DD Form 2061 or automated equivalent to the DFAS-DE/I.

3. Submit a final DD Form 2060 or automated equivalent to the DFAS-DE/I.

4. For all FMS cases without remaining unliquidated obligations:

a. The applicable DoD Component shall submit an FMS Case Closure Certificate (Table 2-27) within 24 months after an FMS case is supply complete.

★ b. A DoD Component that determines the final unresolved reconciliation issues for a case in the process of being closed amounts to less than a maximum of \$200 for that case may charge the FMS Administrative Charge Budget, object classification 42.3, "Supply Discrepancy Reports - Charges for Closed FMS Cases" for the amount required to effect final reconciliation and close the case. The DFAS-DE/I will provide the DSCA/COMPT-FMPD with a quarterly summary of certificates received in which amounts have been charged in accordance with this paragraph.

★ c. Should a DoD Component determine that, due to reconciliation issues, a case cannot be closed within 24 months of supply completion, the case, along with identification of the problem or cause believed to prevent case closure, shall be submitted to the DSCA for resolution with the OUSD(C). Such submissions shall be made within 24 months after an FMS case is supply complete and shall include an FMS Case Closure Analysis (Table 2-29) and a copy of the LOA and associated amendments/modifications.

5. For FMS cases with remaining unliquidated obligations:

a. For countries participating in accelerated case closure (ACC) procedures:

(1) ACC procedures shall only be used for those countries which explicitly elect such procedures. All countries that have cases financed with MAP/Grant Aid/FMF Credit (non-repayable) are mandatory participants in ACC procedures unless specifically excluded by DSCA.

(2) Once selected by a country, ACC procedures shall apply to all cases of that country.

(3) The applicable DoD Component shall submit an interim Case Closure Certificate, within 24 months after an FMS case is supply complete (see Table 2-28).

(4) The applicable DoD Component shall determine and report the value of any remaining unliquidated obligations. These amounts should be equal to those recorded by the DoD Component.

(5) Using the DoD Component's remaining unliquidated obligations (ULO), DFAS-DE/I shall bill the applicable country using normal billing procedures.

★ (6) The DFAS-DE/I shall record the billed (and subsequently, the collected) amounts in a summary account entitled "Case Closure Suspense Account." At the same time, applicable charges and credits shall be recorded, by country and by case, in subsidiary accounts which total to the case closure suspense account.

(7) When final costs are known and reported by the DoD Components, the DFAS-DE/I shall record such amounts against the Case Closure Suspense Account, and subsidiary account, by country and by case.

(8) Upon receipt and payment of final bills, the DoD Components shall submit final Case Closure Certificates.

(9) On a semi-annual basis, the DFAS shall submit, to the Deputy Chief Financial Officer, OUSD(C), and the DSCA Comptroller, a status report on the Case Closure Suspense Account and subsidiary accounts.

★ (10) Whenever a country's Case Closure Suspense Account has a negative balance of \$100,000 or more for a period of six consecutive months the DFAS-DE/I shall bill the country for the entire balance owed. For example, if the country's suspense account has negative balances of \$100,000 on December 31, \$250,000 on March 31, and \$175,000 on June 30, the DFAS-DE/I will bill the country \$175,000. Such billings should be through the country's omnibus quarterly billing statement and will cite the FMS case involved. DSCA should review the country's Case Closure Suspense account periodically to determine if any refund is warranted.

★ b. All countries that have cases financed with MAP/Grant Aid/FMF Credits (non-repayable) are included in the accelerated procedures, unless excluded by the DSCA.

c. For countries not participating in accelerated case closure procedures: The DoD Components shall submit Case Closure Certificates only after all applicable costs have been finalized.

★ 6. At case closure, the final closure certificate submitted to the DFAS-DE/I may be used in lieu of an LOA amendment or modification unless the FMS customer insists upon a formal amendment or modification.

C. Closure Certification. The FMS Case Closure Certificate (Table 2-27) alerts the DFAS-DE/I to initiate case reconciliation actions. When DoD Components and the DFAS-DE/I FMS case records are reconciled, the DFAS-DE/I shall proceed to reclassify the case to an inactive status and provide a final statement of account to the FMS customer for the DFAS-

DE/I recorded value billed. The implementing agency closes applicable case records. Certifications for case closure shall be signed by the commander of the activity or his designated representative.

D. Billings After Case Closure

1. For those cases on which accelerated case closure procedures do not apply:

★ a. All cases must be reclassified to active status except for those with a transaction adjustment of \$200 or less. Such adjustments may be charged to the FMS Administrative Charge Budget, object classification 42.3, "Reports of Discrepancy - Charges for Closed FMS Cases." Otherwise, accounting records will be re-established at the amounts recorded at the time closure certification occurred. Reclassification to active status must occur in both the DoD Component and the DFAS-DE/I records.

(1) All post closure disbursements or credits shall be recorded in an undistributed account until case records are reactivated.

(2) Upon the FMS customer request, a modification may be issued to the country for cases with post-closure activity in excess of 10 percent of the net case value at the time of closure.

(3) When cases are reactivated, DoD Components will request additional obligational authority, commence reporting status of funds data, request expenditure authority, process disbursement/credit transactions, and report adjusted delivery information via the delivery transaction.

(4) Once the disbursement/credit and billing process is complete, the DFAS-DE/I will bill the FMS customer accordingly. Re-closure is accomplished in accordance with subparagraph 021004.C.

★ 2. For cases where accelerated case closure procedures apply:

★ a. When post-closure disbursements are reported by the DoD Components, DFAS-DE/I shall record such amounts against the Case Closure Suspense Account and subsidiary accounts by country and by case.

★ b. When post-closure disbursements exceed \$100,000 (in either direction) as a result of a verified pricing error, the applicable DoD Component shall submit a request to the DSCA, with an information copy to the DFAS-DE/I, that the case be reopened. Upon receipt of the DSCA approval to reopen the case, the applicable DoD Component will issue a modification to the foreign country. In any event, the DFAS-DE/I shall bill the country for the entire balance owed in accordance with established billing procedures.

★ c. When all post closure disbursements/credits have been reported and final costs determined, the DoD Component shall certify the case for finalized status utilizing the case closure certificate at Table 2-27.



**FINAL FMS CASE CLOSURE CERTIFICATE**

1. Date: \_\_\_\_\_.
2. Implementing Agency/Country/Case: \_\_\_\_\_.
3. Net Case Value: \_\_\_\_\_.
4. Case Canceled at FMS Customer's Request: \_\_\_\_\_.
5. Final delivered charges against net case value including CAS and LSC: \_\_\_\_\_.

A. \_\_\_The net case value shown on line 3 agrees with implementing agency records and obligational authority released to this agency via DD Form 2060.

**and**

★ B. \_\_\_The contracts awarded in connection with the FMS case are logistically and financially complete and included in line 5 (case closed). Total contract value subject to CAS charges: \_\_\_\_\_.

**and**

C. \_\_\_All requisitions, reimbursable work orders, MIPR's and invitational travel orders that have been processed pursuant to this FMS case are accounted for and the costs thereof are included in line 5. Reimbursements from the DFAS-DE/I have been credited to the financing appropriation or Miscellaneous Receipt Account 3041, as applicable.

**and**

D. \_\_\_All estimated deliveries have been converted to actual deliveries.

**and**

★ E. \_\_\_All outstanding discrepancy reports against the case have been processed.

**and**

★ F. \_\_\_Performance Reporting and Cash Disbursements have been reconciled with Implementing Agency accounting records and are equal in value. The value of unresolved reconciliation issues recorded in accordance with paragraph 021004.B.4.b. and c. is \_\_\_\_\_.

★6. Above-the-line disbursements net of CAS and LSC: \_\_\_\_\_.

\_\_\_\_\_  
Signature of Certifying Official

**Table 2-27**

**INTERIM FMS CASE CLOSURE CERTIFICATE**

1. Date: \_\_\_\_\_.
2. Implementing Agency/Country/Case: \_\_\_\_\_.
3. Net Case Value: \_\_\_\_\_.
4. Case Canceled at FMS Customer's Request: \_\_\_\_\_.
5. Final delivered charges against net case value including CAS and LSC: \_\_\_\_\_.

A. \_\_\_The net case value shown on line 3 agrees with implementing agency records and obligational authority released to this agency via DD Form 2060.

**and**

B. \_\_\_Delivery of all articles and services is complete. Contracts remain open. The value of remaining unliquidated obligations attributed to open contracts has been verified and included in line 5.

**and**

C. \_\_\_All requisitions, reimbursable work orders, MIPR's and invitational travel orders that have been processed pursuant to this FMS case are accounted for and the costs thereof are included in line 5. Reimbursements from the DFAS-DE/I have been credited to the financing appropriation or Miscellaneous Receipt Account 3041, as applicable.

**and**

D. \_\_\_All estimated deliveries have been converted to actual deliveries.

**and**

★ E. \_\_\_All outstanding discrepancy reports against the case have been processed.

**and**

F. \_\_\_Performance Reporting and Cash Disbursements have been reconciled with Implementing Agency accounting records and are equal in value. The value of unresolved reconciliation issues recorded in accordance with paragraph 021004.B.4.b. and c. is \_\_\_\_\_.

6. Above-the-line disbursements net of CAS and LSC: \_\_\_\_\_.

7. Unliquidated obligation balance: \_\_\_\_\_.

A. CAS: \_\_\_\_\_.

B. LSC: \_\_\_\_\_.

\_\_\_\_\_  
Signature of Certifying Official

**Table 2-28**

**FMS CASE CLOSURE ANALYSIS**

Submitting Activity: \_\_\_\_\_.

Point of Contact: \_\_\_\_\_.

1. Country/Case
2. Line(s) unreconciled/value of each
3. Case implementation date
4. Date case supply complete
5. Case ordered value
6. The DFAS-DE/I recorded expenditure value:
  - a. Articles/services-delivered/performed
  - b. Progress payments (unliquidated/reported)
  - c. Disbursements reported
7. Implementing agency billed value
8. Amount of discrepancy
9. Number of open contracts
10. Unliquidated obligations (ULO) value by contract.
11. Estimated resources required to complete reconciliation:
  - a. Workhours
  - b. Cost

**Narrative Statement:** (Concise, comprehensive synopsis summarizing the obstacles precluding closure, relative effort expended to date, etc.)

**Table 2-29**

**★0211 ANTIDEFICIENCY ACT VIOLATIONS AND ADVERSE FINANCIAL CONDITION REPORTS**

★ 021101. Antideficiency Act Violations. For purposes of the Antideficiency Act, appropriated funds are not limited to those funds specifically appropriated by Congress to federal agencies from the general fund of the Treasury. Rather, funds available to agencies are considered appropriated, regardless of their source, if made available for collection and expenditure pursuant to specific statutory authority. Accordingly, in applying the Antideficiency Act, the FMS Trust Fund is considered to be, and is to be treated as, appropriated funds. Therefore transactions that involve the FMS Trust Fund can constitute violations of the Antideficiency Act.

★ A. Potential Types of Violations. Violations can occur under the FMS Trust Fund when: (1) obligational authority is approved without prior or proper FMS budget authority, (2) obligations or disbursements are incurred in excess of the regulatory limitation on amounts of an FMS account (e.g. a country level account or a surcharge account) that is to be used for a particular purpose, (3) funds are obligated on a contract without appropriate funds authority from the funds distribution systems included in the Service systems (MISIL, PBAS, CMCS, etc.) controlling the distribution of obligational authority issued against an FMS case, (4) FMS case funds are used in lieu of other DoD appropriations or funds for items outside the scope of an LOA, or (5) as otherwise applicable to FMS cases under DoDD 7200.1, "Administrative Control of Appropriations."

★ B. Identifying and Reporting Violations. More detailed guidance for identifying and reporting violations under the Antideficiency Act is contained in DoDD 7200.1, "Administrative Control of Appropriations," and in Volume 14, "Administrative Control of Funds and Antideficiency Act Violations," of this Regulation.

★ 021102. Adverse Financial Conditions. A second group of reportable events occurs when FMS case records are out-of-balance, but these conditions do not necessarily meet the criteria of violations as listed above. These conditions are adverse financial conditions and occur when financial reports indicate that obligational authority exceeds case or line item-level values, that commitments or obligations exceed obligational authority at case or line item level, that total disbursements exceed obligations at case or line item level, or that expenditure authority is not requested prior to disbursing. Adverse financial conditions are reported using the same format as the Antideficiency violations, but are sent to the DFAS-DE/I for review unless exempt from reporting due to the exceptions described below.

A. Reporting Requirements for Adverse Financial Conditions. A report of adverse financial condition will be prepared in the format shown in DoDD 7200.1 and will be submitted to the DFAS-DE/I for review and evaluation within 60 days of discovery or being notified that the adverse condition has occurred. DFAS-DE/I has the responsibility for determining reportable conditions and for notifying implementing agencies of adverse conditions involving expenditure authority and obligations or expenditures of funds in excess of approved authority at the FMS case and country levels. The DoD Component has the responsibility for

determining reportable conditions and for notifying DFAS-DE/I of adverse conditions involving expenditure authority and obligations or expenditures of funds in excess of approved authority at the FMS case line level.

B. Exceptions to Reporting Adverse Financial Conditions. Reports need not be submitted for within-scope cost increases if either of the following circumstances occur:

★ 1. Obligation(s) in excess of the "Total Estimated Cost" shown on the LOA occurs, and a modification is prepared by the DoD Component and submitted to the purchaser through appropriate channels within 60 days of the date of the transaction which resulted in the unfavorable financial condition.

★ 2. Obligation(s) or expenditure(s) in excess of approved authority when the excess amount results from the posting of duplicate or erroneous obligation/expenditure transactions or from the posting of obligations from inventory systems and corrective action is taken within 60 days of the transaction date. However, these conditions could indicate weaknesses in internal controls and administrative action may be required to improve systems design or to prevent reoccurrence.

| SUMMARY OF MAJOR CHANGES TO<br>DoD 7000.14-R, VOLUME 15, CHAPTER 2<br>SECURITY ASSISTANCE POLICY AND PROCEDURES |                       |  |               |
|---|-----------------------|--|---------------|
| PAGE  | PARA                  | EXPLANATION OF CHANGE/REVISION   | PURPOSE       |
| All   | All                   | SAAC changed to DFAS-DE/I and DSAA changed to DSCA.  | Update        |
| All   | All                   | Table numbering changed to conform with guidance.  | Update        |
| All   | All                   | IF and DBOF changed to WCF (working capital fund).   | Update        |
| 2-3   | 020105.B.             | Appropriations subject to apportionment updated.   | Update        |
| 2-6 &<br>2-9  | T2-1 &<br>T2-4        | Since the dollar value of the LOA example and/or the items supplied don't meet the criteria of 36(b), the words "Congressional Notification 92-17" were removed. | Correction    |
| 2-19  | 20201                 | Reference to Financial Analysis Worksheet deleted.   | Update        |
| 2-21  | T2-10                 | Reference to P&A deleted and instructions improved.  | Update        |
| 2-26  | T2-11                 | Reference to cancellation of Attrition (AT) deleted  | Correction    |
| 2-29  | T2-11                 | Pricing element DM funds source corrected to DWCF.   | Correction    |
| 2-53  | 020601.A.             | Added instructions on processing budget estimates to clarify that only one DD Form 2060 is submitted.  | Clarification |
| 2-57  | 208                   | Section revised to reflect new reporting structure. Section 210 deleted and subsequent paras renumbered.   | Update        |
| 2-57  | 209                   | Paragraphs modified to reference Vol 6B, involving treatment for financial statements (OMB, USD(C), DoDIG)   | Update        |
| 2-58  | 021004.B.             | Change 3 of the SAMM DoD 5105.38-M changed the period of inactivity on a blanket order case from 18 months to 180 days.  | Update        |
| 2-59  | 021004.B.<br>4.c.     | Deleted reference to DoD Executive Case Closure Board  | Update        |
| 2-60  | 021004.B.<br>5.a.(10) | Clarification on use of suspense account.  | Clarification |
| 2-60  | 021004.B.<br>5.b.     | Added change to cover exempted countries.  | Update        |
| 2-60  | 021004.B.<br>6.       | Language to allow use of final closure certificate in lieu of amendment or modification added.   | Update        |

|                  |                   |   |                                      |
|------------------|-------------------|---|--------------------------------------|
| 2-61             | 021004.D.<br>1.a. | FY 1993 deleted allowing adjustments to continue.   | Update                               |
| 2-61             | 021004.D.<br>2.   | Section clarified for post-closure disbursements.   | Update                               |
| 2-62             | 021104.E.         | Deleted DoD Executive Case Closure Board in its entirety.   |                                      |
| 2-63             | T2-27             | Requirement to specify basis for CAS charges added; also #5 changed to include word "delivered" after final; #6 added for clarification.  | Update to facilitate reconciliation. |
| 2-64             | T2-28             | In #5, "delivered" added after "final".   | Clarification                        |
| 2-66<br>and 2-67 | 211               | Section re-written to distinguish between Anti-deficiency violations and adverse financial conditions. Changed reporting to DFAS-DE/I as requested by DFAS Headquarters. Identified additional reportable violations. | Internal control                     |

## CHAPTER 03

ACCOUNTING0301 INTRODUCTION

030101. Objectives. The objectives of this chapter are to prescribe accounting requirements which:

A. Assure proper implementation of the DoD fiduciary responsibilities resulting from acceptance of an FMS case.

B. Provide accounting information which can be used for preparation of financial statements to FMS customers and financial status reports to DoD case managers.

C. Are fully integrated with physical delivery (logistics) reporting systems.

D. Serve as a basis for timely identification and reporting of financial management problems.

E. Establish internal controls to assure compliance with the payment requirements of the AECA [reference (a)].

030102. Accounting Characteristics

A. Each FMS case is an accounting unit similar to a commercial job order. Budget authority necessary to implement a case is released by case designator; cash collections and disbursements are recorded by case designator, all requisitions for materiel or services contain a case designator; accrued costs are reported by case designator, etc. This case level accounting information is then accumulated and reported to FMS customers and DoD case managers to allow proper monitoring of case execution.

B. For DoD purposes, there is a requirement for summary level information. Country level cash summary accounts must be maintained to facilitate the calculation of Section 21(d) interest charges. A cumulative (all country) summary cash account is necessary to allow

reconciliation with Department of the Treasury cash records. Cumulative summary accounts reflecting budget authority, commitments, obligations, accounts payable, accounts receivable, and accrued expenditures, etc., are required in order to complete required budget execution reports on the FMS trust fund account.

C. DoD case management entails obtaining necessary budget authority, releasing requisitions or procurement work orders, and physical delivery of required items. The first two actions require efforts directed through the accounting system. Good management and control require that the same source document be used for reporting to both the financial system and the logistical systems (including delivery reporting).

030103. Responsibilities

A. Security Assistance Accounting Center (SAAC). It is the responsibility of SAAC to:

1. Maintain the centralized FMS case level accounts prescribed in this chapter and use information accumulated in the accounts when preparing statements to FMS customers and financial management reports to DoD case managers.

2. Summarize case level cash accounts at the country level to determine the necessity for charging Section 21(d) interest.

3. Summarize all case level accounts at the Trust Fund level, reconcile the summary cash accounts to Treasury records on a monthly basis and use the summary accounts as the basis for required reports on trust fund operations.

4. Maintain audit trails between source documents and entries to the mechanized accounting system.



B. Implementing Agencies. Performance of FMS orders is accomplished through one of three possible financing techniques: (1) issuance and acceptance of reimbursable orders into a financing appropriation/Defense Business Operations Fund account, (2) issuance of allotments of the FMS trust fund to performing DoD Components, or (3) issuance of authorization to directly use the FMS trust fund (11X8242). Each of these three financing variations results in unique accounting responsibilities as described below.

1. Performance under Reimbursable Orders. The accepting DoD Component is required to use the DD Form 2060 as the basis for recording an FMS order in the financing appropriation/fund account and to use status-of-allotment reports to notify SAAC of accrued expenditures. Except for these requirements, the normal accounting system of the financing appropriation/fund account will accomplish the detailed accounting requirements associated with performance of the DD Form 2060 order.

2. Performance under Allotments for Direct Cite Execution. A DoD Component which receives a DD Form 2060 allotment of FMS case funds is responsible for establishing and maintaining the unique FMS accounts necessary to support preparation of the FMS case level status-of-allotment report. Their accounts will be subsidiary to the case level accounts maintained at SAAC, and the current accounting period status-of-allotment report will be put into the SAAC accounts.

3. Performance under Authority to Directly Obligate the FMS Trust Fund. The DoD Component which receives this authority is responsible for promptly providing SAAC with basic source documents. The SAAC is responsible for detailed accounting requirements.

C. Holders of Allotment for Actual FMS Administrative Expenses. A DoD Component which receives DSAA allotments for FMS administrative expenses is responsible for maintaining obligations and expenditures within the limitations of the allotment and assuring that the source documents supporting obligations and accrued expenditures against the allotment meet

the requirements of this Volume. At the end of each fiscal year unobligated OA will be returned to DSAA.

030104. Source Documents. The basic source documents to be used for accounting entries to the FMS case level accounts follow:

A. "United States of America Letter of Offer and Acceptance". This document, or its equivalent when a deviation has been authorized by DSAA, is the basic source document for entries to accounts which record the dollar value of the customer order (see paragraph 020103.A.).

B. Amendments and Modifications. The amendment is designed to obtain FMS customer acceptance of a scope increase. The modification is a notification document to alert FMS customers of within-scope cost increases. These documents are used to modify the original LOA and serve as additional sources of entries to accounts which record the dollar value of the customer's order (see paragraph 020103.B.).

C. DD Form 2061, "FMS Planning Directive". This form is the basic source document used in preparation of the DD Form 2060, which requests case obligational authority (see paragraph 020103.C.).

D. DD Form 2060, "FMS Obligational Authority". This multipurpose form is the basic source document for entries to accounts which recognize the budget and program authority necessary for FMS case performance. The form also serves as the basis for recording Trust Fund obligations and withdrawals of Trust Fund budget authority (see paragraph 020103.D.).

E. DD Form 645, "Foreign Military Sales Billing Statement". This form, when properly signed, represents the U.S. Government's official claim for payments to FMS purchasers. As such, the DD Form 645 serves as the source for entries into the accounts receivable general ledger account of the SAAC. In addition, it serves to provide an accounting to the FMS purchasers of costs incurred and costs accrued on behalf of those purchasers.

F. LOA Payment Schedule. The payment schedule attached to the DD Form 1513 is normally used as the basis for DD Form 645, Column 11, billings for additional cash advances from the customer (for exception, see subparagraph G. below). When the case value is \$25 million or over, a subsidiary schedule (which is not provided to FMS customers) is attached to identify the amount of each scheduled payment which is applicable to potential termination costs. When case value is under \$25 million, potential termination cost is included in the scheduled payment and a subsidiary schedule is not required.

G. "Quarterly Forecast of Financial Requirements for In-Process Cases". This computer input is submitted on an as-required basis and when LOA payment schedules will not provide adequate advance cash collections. The input is a basis for DD Form 645, Column 11, billings for additional cash advances and identifies the cash required for (1) disbursing demands on earned reimbursement, (2) contractor holdbacks, and (3) potential termination costs. This report is exempt from licensing per paragraph E.4.f. of DoD 7750.5-M [reference (h)].

H. Incoming FMS Customer Checks or Treasury Notification of Receipt of Funds Via Electronic Transfer. These data are the basis for entries to cash collected accounts.

I. SF Form 1080, "Voucher for Transfers between Appropriations and/or Funds". This form is prepared in two variations: (a) check required, and (b) no check required. When a check is required, the form serves as the basis for entries to accrued expenditures and accounts payable or cash disbursements as applicable. The "no-check-required" variation is used as the basis for liquidation of advances or to record accrued expenditures and accounts payable or disbursements as applicable.

J. Contracts. When direct cite procedures are used, copies of signed contractual documents serve as the basis for entries to Account 4811, "Undelivered Orders - Without Advance - Direct Program" (See Section 302).

K. "DoD Status-of-Allotment Reports". When allotment procedures are used, status-of-allotment reports serve as the basis for monthly entries relative to order performance in the FMS Trust Fund case level accounts. This report is exempt from licensing per paragraph E.4.f. of DoD 7750.5-M [reference (h)].

L. "Delivery Transactions." These serve as the basis for accrued expenditures and physical deliveries entries to the FMS case level accounting system. The report is used in lieu of an SF Form 1080 for most FMS transactions. This report is exempt from licensing per paragraph E.4.f. of DoD 7750.5-M [reference (h)].

M. Mechanical FK Computations. The SAAC mechanically computes the following accrued expenditures (See Chapter 8):

1. FMS Administrative Surcharge
2. Contract Administrative Surcharge
3. Packing, Crating, and Handling Charge (except for deliveries of stock fund/Defense Business Operations Fund items reported after October 1, 1990.
4. Transportation Charges (unless case header information requires actual)

N. Expenditure Authorization. Country level expenditure authorizations are issued by SAAC. Issuance is either via the FMS accounting system network or via a message. If the message is through electronic means there must be internal controls installed to ensure the message was authenticated and was in fact released. The message is the basic source document for entries to the cash accounts to formally reserve applicable customer cash (See Chapter 4).

### 0302 FMS TRUST FUND ACCOUNTING REQUIREMENTS

030201. FMS Trust Fund. The FMS Trust Fund is a single account that is authorized to be credited with receipts and to incur obligations

and expenditures in accordance with the provisions of the Arms Export Control Act (AECA)[reference (a)], and 82 Stat 1323 (22 U.S.C. 2762)[reference (i)]. FMS Trust Fund receipts are available for obligation and expenditure without further action by Congress. The Trust Fund is exempted from apportionment on DD Form 1105 in accordance with paragraph 412.2B.5. of DoD 7110.1-M [reference (d)]. Accounting for the FMS Trust Fund is accomplished at the Defense Finance and Accounting Service - Denver Center referred to as the central site.

**030202. FMS Chart of Accounts.** All financial accounting data applicable to the FMS Program shall be recorded in the Uniform Chart of FMS Trust Fund level General Ledger Accounts (GLAs) maintained by the central site as set forth in this Chapter. These requirements are consistent with the DoD Uniform Chart of General Ledger Accounts described in other volumes of this Regulation. Subsidiary ledgers are used where necessary to provide accounting control and management reports. Dollar amounts reflected in the accounts shall be used in statements and bills to FMS customers, monitoring compliance to the cash requirements of the AECA, financial management reports to implementing agencies, identification of adverse financial conditions, and required budget execution reports. No other General Ledger Trust Fund accounts will be used without the written approval of DFAS-HQ. A description of each account is at Appendix A. The accounts are in Table 302-1. Table 302-2 is a concept of pro forma entries illustrating typical accounting entries that occur during execution of an FMS case.

**030203. Contract Authority.** Contract authority is statutory authority to incur obligations prior to an appropriation (or realization of revenues) for the future payment of obligations. Procurement for FMS under 82 Stat 1323 (22 U.S.C. 2762)[reference (i)] is one of the major permanent indefinite authorities at departmental level within the DoD. FMS orders create contract authority. New contract authority reported in the ACCT-RPT(M) 1176 is the value of FMS orders accepted for performance during the current fiscal year for which budget authority

has been approved in the current year in accordance with the requirements of paragraph 020104.A. Funds appropriated by the Congress for defense purposes cannot be used to liquidate obligations resulting from the use of FMS contract authority. FMS customer cash deposits liquidate these obligations and unfunded contract authority. Below departmental-level, contract authority loses its unfunded identity and is treated in the same way as other budgetary resources available for obligation. Allocations from the Departmental-level accounting system are issued as Direct Program. Procurements for FMS customers are accomplished citing the FMS Trust Fund in applicable documents. According to a Comptroller General Decision amounts in the FMS Trust Fund are, in a technical sense, appropriated funds, even though they are not annually appropriated by Congress and are not subject to direct Congressional control. Accordingly, accounting for commitments, obligations, and accrued expenditures in the FMS Trust Fund is accomplished as direct program.

**030204. Accounting for Obligations.** Budget Authority required to execute an FMS case is requested by Military Departments by entering a computerized three position alpha format, RBI transaction into the computerized FMS accounting network. SAAC's approval of the request for authority is based on having, in hand, the requirements to establish contract authority as described in the previous paragraph. The RBI is used for each new case and at the beginning of each new fiscal year to request approval of budgeted requirements for the fiscal year. The "R" in the transaction designates the series of FMS Integrated Control System (FICS) formats. The "B" stands for budget authority and the "I" indicates the transaction is an input. Receipt of an RBI for a FMS case for which SAAC has also received a signed letter of offer and, if applicable, an initial deposit, is recorded in GLA 4131. Approval of a request for an annual requirement of budget authority in a computerized format is recorded by SAAC entering a RBF into the FMS accounting network and recording a debit in GLA 4516 and credit in 4541. The "F" in the RBF transactions indicates the transaction is a feed back and signifies certified approval of the request. Sound financial management of the FMS program requires that the amount of au-

thority requested be limited to the amount expected to be obligated in the current fiscal year. Under no circumstances is SAAC authorized to issue budget authority in excess of total case value without the appropriate amendments or modifications which formally increase the value of the case. The status of commitments, obligations and accrued expenditures is reported to SAAC via the REI format. The "E" stands for execution. SAAC acknowledges receipt with a REF and makes the appropriate entries in GLAs 4710, 4811, and 4931 as applicable. At the end of each fiscal year SAAC reduces budget authority to the cumulative from exception value of commitments, obligations, and accrued expenditures reported by REI transactions. Following the year end closing entries reversal entries restore budget authority values for the new year.

#### 030205. Accounting for Receivables

A. General. Accounts receivable ledgers for each FMS country program accounted for in the FMS Trust Fund are subsidiary to General Ledger Account 1313, "Accounts Receivable-Public-Current." The amounts recorded in the FMS Trust Fund accounts are based on the FMS billing statements and DSAA supplementary billing statements and are in accordance with paragraph 050301. Cash in advance of performance is required for FMS customers unless a written determination is made pursuant to legal authority (see paragraph 070104.D., "Payment Terms"). Therefore, in the FMS program, a delinquent accounts receivable is an exceptional event. If a delinquency occurs, follow-up is pursued in accordance with Volume 6, Chapter 12 of this Regulation and paragraph 050201 of this Volume. Aging of accounts receivable will be in accordance with paragraph 50302.B. and Table 502-1 and commences with the beginning of the month following the date the payment was due and continues until paid according to the following schedule:

|          |                 |
|----------|-----------------|
| 1-30     | days delinquent |
| 31-60    | days delinquent |
| 61-90    | days delinquent |
| 91-180   | days delinquent |
| 181-360  | days delinquent |
| over 360 | days delinquent |

B. Application of Interest Charges. Interest charges on FMS country-level arrearages shall be assessed in accordance with the provisions of the affected country's active Letters of Offer and Acceptance and Chapter 5 of this Regulation. The interest rate to be charged by the Department of Defense on delinquent payments due on Foreign Military Sales under the provisions of Section 21 and 22 of the AECA (22 U.S.C. 2761 and 2762) will be prescribed by the Department of the Treasury.

030206. Accounting for Inventory. Assets--equipment and related software, amounts invested in inventories and work-in-process at contractor's plants--are controlled by, and should be reported on, the financial statements of the Military Departments or Defense Agencies.

030207. Accounting for Trust Fund Equity. The Arms Export Control Act requires that the FMS program be operated at no cost to the U.S. Government. The provisions of the Letter of Offer provide that the USG will execute the Offer and Acceptance on a non-profit basis. Therefore, recognition of an equity balance in the FMS Trust Fund is prohibited. The Foreign Military Sales Trust Fund Financial Statements will not include equity, revenue or expense accounts.

A. Accounting for FMS Surcharges. Surcharges established in accordance with the requirements of the AECA to insure full recovery of costs incurred in operating the FMS program are accounted for as operating expenses. The principle surcharge, the Administrative Surcharge, was established in accordance with Sections 21 and 43 of the AECA [reference (a)]. The Contract Administration Services (CAS) surcharge applied to new procurement may be waived under certain conditions detailed in Section 21 of the AECA [reference (a)]. The transportation surcharge is intended to recover costs involved in transferring FMS material to FMS customers where that cost is not included in the cost of the material. These expenses are recorded as implementing activities are reimbursed from surcharge accounts in response to SF 1080 bills. Revenues to fund these expenses result from the application of surcharge rates to delivered values reported by the implementing

activities. Ledgers for each of the categories of surcharges are maintained as subsidiary to the control account "Unearned Revenue - Advances from Public," GLA 2312.

B. Accounting for Bad Debts. Policy and procedures concerning compromise, termination, or suspension of collection actions of a country-level bad debt are in paragraph 120207 of Volume 6 of this Regulation. Resolution of all foreign indebtedness resulting from FMS transactions will be staffed with the Department of State by DSAA via the Assistant Secretary of Defense, International Security Affairs (ASD)(ISA). Within 30 days of a determination that a debt is uncollectible, DSAA will provide direction to the DFAS - Denver Center to record the amount owed including accrued interest in General Ledger Account 1313.3, Accounts Receivable-Public-Current-Uncollectible. The following procedures will be followed when a country is in arrears and the debt is confirmed to be uncollectible; (1) All available funds for the effected country will be utilized to satisfy outstanding liabilities according to a priority recommended by the Denver Center Deputy Director for Security Assistance Accounting and approved by the DSAA Comptroller, (2) The Denver Center, in accord with DSAA, will contact all applicable case managers to request all outstanding commitments be canceled and all outstanding obligations be adjusted to include an amount for termination cost. The residual amount of the debt reflected will be transferred to GLA 1313.3, Accounts Receivable-Public-Current-Uncollectible for the affected country to coincide with termination of the customer order based on the determination that the country account is uncollectible. Aging of amounts recorded will continue. The accumulation of interest, in accordance with the Arms Export Control Act and other applicable authorities, should be accrued monthly on the balance in this subaccount. The amount recorded in the account will include the amount of the arrearage, termination liability costs, and accrued interest.

**030208.** General Procedures for Processing Accounting Transactions. The Defense Integrated Financial System (DIFS) is the departmental level central accounting system used at SAAC to account for the FMS Trust Fund. Information

entered into the central accounting system in the form of accounting transactions is based on a combination of transactions received from installation level FMS Integrated Control Systems (FICS) and vouchers recorded at SAAC as a result of billing/collection and disbursement activity. Accounting transactions are recorded in applicable proprietary, departmental level and installation level general ledger accounts. This enables SAAC to prepare required accountability, and fund status reports for the FMS Trust Fund.

A. Source Transactions. Source transactions contain all the information required to update general ledger accounts and enable the SAAC to prepare the reports required for accounting control and financial management. Source transactions are the lowest level information in the system. Every transaction has a date identifying the appropriate accounting month for reporting to the U.S. Treasury. Source transactions are registered in automated journals and then posted to appropriate subsidiary ledgers within the central accounting system. Equality of the general ledger accounts is ensured through the use of the program developed for that purpose for the general ledger. Posting of source transactions updates applicable subsidiary ledgers as well as FMS Trust Fund general ledger accounts. Posting occurs daily. Source transactions are maintained in the system data base for future balancing and reconciling in addition to being the primary audit trail for all posting to the central system.

B. Subsidiary Ledgers. Due to the magnitude of the FMS program there is a substantial number of individual accounts with common characteristics. As a result, subsidiary ledgers have been established to provide control. Updated subsidiary ledgers are an integral part of the DIFS data base and part of the general ledger structure wherever accounting information must be accumulated by country or program within a general ledger account (GLA). Subsidiary ledgers are maintained for FMS surcharge accounts. Subsidiary ledgers provide a continuous record of transactions by accounting month for the FMS Trust Fund general ledger. A monthly trial balance of the FMS Trust Fund, accomplished after all balancing and reconciling for the month is completed, verifies the equality

of the subsidiary ledgers and general ledger accounts. The subsidiary ledgers are maintained in the system for reconciliation in addition to providing an audit trail of all postings in the system. Extracts of these ledgers are made available to the Security Assistance Program Manager as necessary for management purposes.

C. General Ledger. The general ledger is updated from the subsidiary ledgers. The general ledger is maintained by accounting month at appropriation level. A trial balance is prepared from the general ledger on a monthly basis. The trial balance is used for the preparation of reports to the U.S. Treasury, DSAA, or other required reports related to the general ledger.

1. The general ledger subsidiary ledgers are to be posted and reconciled to the posting medium (financial transactions) on a daily basis. These subsidiary ledgers will be totaled and posted monthly to general ledger accounts with a trial balance prepared monthly. The general ledger must be reconciled to the financial transactions, resource balances, and subsidiary ledgers and records to ensure general ledger control. This general ledger will be reconciled with the subsidiary ledgers on a monthly basis. The primary selection criteria will be the accounting month that is maintained on both the subsidiary ledgers and the general ledger. The internal DIFS data directory will provide the translation between the chart of accounts prescribed by this Volume, with pertinent subsidiary ledgers necessary to meet specific FMS financial management requirements. The subsidiary ledgers, reconciled to the general ledger on a monthly basis are Case Control, Cash Master, Accounts Receivable, Accounts Payable, and Status of Funds.

2. The general ledger developed for the DIFS is based on the DoD chart of accounts found in Chapter 7 of Volume 1 of this Regulation which complies with the U.S. Government Standard General Ledger (SGL) chart of accounts. The audit trails are accomplished using the internal DIFS data directory (which) will provide the translation between the chart of accounts found in this Volume, with pertinent subsidiary ledgers necessary to meet specific

FMS financial management requirements. A program in DIFS generates the general ledger balances directly from the subsidiary ledgers for the FMS Trust Fund (appropriation 8242).

3. The financial reports are prepared based on the cumulative values recorded in the general ledger or the subsidiary ledgers that are controlled by the general ledger, reconcilable to the account balances in the general ledger.

**030209. SAAC Analysis of FMS Case Accounting Data.** It is important that the SAAC continuously analyze case level accounting data to identify developing financial problems and alert implementing agency case managers and other concerned DoD officials of the necessity for corrective action. The types of analysis to be performed follow:

A. Adequacy of Cash Deposits. Compare net unreserved cash balance to accounts payable case level accounts. If accounts payable balance is greater, request implementing agency review of the priority of case payment schedules.

B. Timely Payments to DoD Components and Contractors. Balances in accounts payable, shall be aged to assure timely payments are being made. If payments are untimely, SAAC should review internal payment procedures and implement necessary corrective action.

C. Timely Case Closure Actions. When the expenditures equal budget authority, SAAC should request implementing agency review to determine if the case should be closed.

**030210. SAAC Postings to Surcharge Subsidiary Ledgers**

A. Administrative Fee and Logistics Support Surcharge Account.

1. Accrual of Earned Surcharge. As accrued expenditures are recorded pursuant to FMS orders, the amount of administrative surcharge applicable thereto will be determined and credited to the administrative fee account.

2. Actual FMS Administrative/Logistics Expense. Accounting entries reflecting actual expenses will be posted based upon accrued expenditures reported in the DoD status-of-allotment reports for FMS (see paragraph 030401 of this Volume).

B. Transportation Surcharge Account.

1. Accrual of Earned Surcharge. When items are reported as physically delivered, applicable transportation surcharges are earned and credited to the "Transportation Account."

2. Actual Transportation Expense. Accounting entries reflecting actual transportation cost will be posted as debits to the "Transportation Account," based upon receipt of carrier bills.

3. Year-End Balance. Amounts in the transportation account in excess of \$15 million at the end of a fiscal year will be transferred to other clearing accounts with deficit balances. Such transfers must be approved by the Office of the DoD Comptroller in coordination with the DSAA Comptroller as manager of the FMS Trust Fund.

C. Contract Administration Surcharge Account.

1. Accrual of Earned Surcharge. When payments are made to contractors--either progress payments or bills for incurred costs--applicable contract administration surcharges are earned and credited to "Contract Administration Expenses."

2. Actual Contract Administration Expenses. Accounting entries reflecting actual contract administration costs will be posted as "Contract Administration Expenses," based upon receipt of SF 1080 billings from performing DoD Components (see paragraph 070405).

D. Attrition Expense Surcharge Account. For applicable training cases, 4% for flying training and 1% for non-flying training, the earned amounts will be identified by the IAs as they distribute collections for tuition charges.

That portion identified as attrition will be credited to the SAAC. Expenditures from this account represent orders to DoD Components to fund the cost of replacing equipment which has been destroyed as a result of student training.

E. Month-End and Year-End Surcharge Account Closing. The data contained within the accounting system will support end of period closing, updating of the general ledger and the production of required end of period financial reports. End of period procedures will be in accordance with DSAA reporting requirements. Open periods will be closed in sequence when transactions are concurrently processed for multiple periods. During the closing process, the current period (the first one among all open periods), General Ledger account balances will be closed and carried forward to the next period. The beginning surcharge account balances for the next period should be computed from the carried forward amounts previously passed and month-to-month activity.

F. Year-End Certification. After the close of each fiscal year, the SAAC will provide a certified financial statement to the Office of the Comptroller, DoD. This is the Statement Of Financial Position for the year just ended versus the prior year (see Table 302-3).

G. Year-End/Periodic Analysis of Surcharge Accounts. Activity in the surcharge accounts will be analyzed by SAAC and serve as a basis for recommendations to the DSAA Comptroller for coordination with the DoD Comptroller on rate changes and redistribution of surcharge account balances.

**TABLE 302-1 UNIFORM CHART OF FMS GENERAL LEDGER ACCOUNTS FOR THE  
FOREIGN MILITARY SALES TRUST FUND**

| Acct.<br>No. |   | Normal<br>Balance |
|--------------|---|-------------------|
| <b>1000</b>  | <b>ASSETS</b>   |                   |
| <b>1010</b>  | <b><u>Fund Balance with Treasury</u></b>                        |                   |
| 1011         | Funds Collected   | DR                |
| 1012         | Funds Disbursed   | CR                |
| <b>1100</b>  | <b><u>Cash</u></b>  |                   |
| 1110         | Undeposited Collections (FRB)                                   | DR                |
| <b>1310</b>  | <b><u>Accounts Receivable</u></b>                               | DR                |
| 1311         | Accounts Receivable-Government-Current                          | DR                |
| 1313         | Accounts Receivable-Public-Current                              | DR                |
| 1313.1       | Accounts Receivable-Public-Current                              | DR                |
| 1313.2       | Accounts Receivable-Public-Current-<br>-Arrearages              | DR                |
| 1313.3       | Accounts Receivable-Public-Current-<br>-Uncollectible           | DR                |
| <b>2000</b>  | <b>LIABILITIES</b>  |                   |
| <b>2100</b>  | <b><u>Accrued Liabilities</u></b>                               | CR                |
| <b>2110</b>  | <b><u>Accounts Payable</u></b>                                  |                   |
| 2111         | Accounts Payable-Government<br>-Current                         | CR                |
| 2112         | Accounts Payable-Government-<br>Noncurrent                      | CR                |
| 2113         | Accounts Payable-Public-Current                                 | CR                |
| <b>2190</b>  | <b><u>Other Accrued Liabilities</u></b>                         | CR                |
| <b>2310</b>  | <b><u>Advances From Others</u></b>                              |                   |
| <b>2312</b>  | Unearned Revenue-Advances from Public                           | CR                |
| <b>2400</b>  | <b><u>Liability for Deposit Funds/Suspense<br/>Accounts</u></b> | CR                |



**TABLE 302-1 UNIFORM CHART OF FMS GENERAL LEDGER ACCOUNTS FOR THE FOREIGN  
MILITARY SALES TRUST FUND (CONTINUED)**

| <u>Acct.<br/>No.</u> |  | <u>Normal<br/>Balance</u> |
|----------------------|--|---------------------------|
| <u>3000</u>          | <u>TRUST FUND EQUITY</u>   | CR                        |
| <u>4000</u>          | <u>BUDGETARY</u>   |                           |
| <u>4130</u>          | <u>Contract Authority</u>  | DR                        |
| 4131                 | Contract Authority-Without Liquidating<br>Appropriation                      | DR                        |
| 4132                 | Contract Authority-With Liquidating<br>Appropriation                         | DR                        |
| <u>4150</u>          | <u>Other New Budget Authority</u>  | DR                        |
| <u>4450</u>          | <u>Authority Available (for Apportionment)</u>                               | CR                        |
| <u>4516</u>          | <u>Unallocated Unfunded Contract<br/>Authority</u>                           | CR                        |
| <u>4541</u>          | <u>Allocations Issued-Direct Program-<br/>Current Year</u>                   | CR                        |
| <u>4580</u>          | <u>Allotments Received (Recorded by IA)</u>                                  | CR                        |
| <u>4611</u>          | <u>Uncommitted/Unobligated Allotments<br/>-Direct Program-Current Period</u> | CR                        |
| <u>4710</u>          | <u>Outstanding Commitments-Direct<br/>Program</u>                            | CR                        |
| <u>4811</u>          | <u>Undelivered Orders-Without Advance<br/>Direct Program</u>                 | CR                        |
| <u>4900</u>          | <u>Expended Appropriations</u>   |                           |
| 4910                 | Accrued Expenditures-Unpaid-<br>Direct Program                               | CR                        |
| 4931                 | Accrued Expenditures-Paid-Direct<br>Program                                  | CR                        |

**TABLE 302-2 ILLUSTRATION OF PRO FORMA ENTRIES FOR THE FMS TRUST FUND**

The pro forma entries in this table illustrate the accounting entries recorded within the FMS Trust Fund General Ledger during execution of a hypothetical FMS case. The variety, number and timing of the entries may differ according to type of case and circumstances being recorded. FMS Trust fund accounting by the central site, in accordance with the provisions of this chapter is at Trust Fund level. Entries 8 and 9 illustrate entries required to record reimbursement of Administrative Surcharge expenses to a Military Department.

Given:

|  |                  |
|--|------------------|
| Contract Value (2 units)   | \$100,000        |
| Total Nonrecurring Cost  | \$20,000         |
| Estimated Cost (line 21)   | <u>\$120,000</u> |
| Administrative Fee (line 23)   | \$3,600          |
| Total Case Value (line 26)   | <u>\$123,600</u> |
| Initial Deposit  | \$35,000         |
| Administrative expense disbursed<br>at Trust Fund level to a Military<br>Department with revenues from<br>several cases. | \$4,000          |

1. FMS Customer Country provides SAAC with a signed Letter Of Acceptance (DD Form 1513) and the initial deposit. SAAC records receipt and changes the status of the case from Offered to Implemented.

|      |   |           |           |
|------|---|-----------|-----------|
| 1011 | Funds Collected   | \$35,000  |           |
| 2312 | Unearned Revenues-Advances<br>From Public               |           | \$35,000  |
| 4150 | Other New Budget Authority<br>(Uncommitted Acceptances) | \$123,600 |           |
| 4450 | Authority Available                                     |           | \$123,600 |
| 4132 | Contract Authority With<br>Liquidating Appropriation    | \$35,000  |           |
| 4131 | Contract Authority Without<br>Liquidating Appropriation |           | \$35,000  |

2. The Implementing Agency submits a DD Form 2060 or automated equivalent (RBI) requesting obligation authority.

|      |   |           |           |
|------|---|-----------|-----------|
| 4131 | Contract Authority Without<br>Liquidating Appropriation | \$100,000 |           |
| 4150 | Other New Budget Authority                              |           | \$100,000 |
| 4450 | Authority Available                                     | \$100,000 |           |
| 4516 | Unallocated Unfunded<br>Contract Authority              |           | \$100,000 |

**TABLE 302-2 ILLUSTRATION OF PRO FORMA ENTRIES FOR THE FMS TRUST FUND  
(CONTINUED)**

|  |  |           |
|--|--|-----------|
| <b>3. SAAC approves the request for obligation authority from the Implementing Agency. (Part A of DD Form 2060 or automated equivalent (RBF)).</b> |  |           |
| 4516   | Unallocated Unfunded Contract Authority              | \$100,000 |
| 4541   | Allocations Issued-Direct Program-Current Period     | \$100,000 |
| 4580   | Allotments Received (Recorded by the IA)             | \$100,000 |
| 4611   | Uncommitted/Unobligated Allot.-Direct Program        | \$100,000 |
| <b>4. The Implementing Agency reports commitments equal to estimated contract value using the REI transaction.</b>                                 |  |           |
| 4611   | Uncommitted/Unobligated Allot.- Direct Program.      | \$100,000 |
| 4710   | Outstanding Commitments Direct Program               | \$100,000 |
| <b>5. The Implementing Agency reports Obligations equal to contract value via a REI transaction.</b>   |  |           |
| 4710   | Outstanding Commitments Direct Program               | \$100,000 |
| 4811   | Undelivered Orders - Direct Program                  | \$100,000 |
| <b>6. SAAC generates the quarterly FMS Billing Statement, DD Form 645.</b>   |  |           |
| 1313.1   | Accounts Receivable-Public Current                   | \$88,600  |
| 2411   | Deposit Fund Liabilities                             | \$88,600  |
| <b>7. SAAC receives payment of amount due on the quarterly FMS Billing Statement, DD Form 645.</b>   |  |           |
| 1011   | Funds Collected                                      | \$88,600  |
| 2312   | Unearned Revenues-Advances from Public               | \$88,600  |
| 2411   | Deposit Fund Liabilities                             | \$88,600  |
| 1313.1   | Accounts Receivable-Public Current                   | \$88,600  |
| 4132   | Contract Authority With Liquidating Appropriation    | \$88,600  |
| 4131   | Contract Authority Without Liquidating Appropriation | \$88,600  |

**TABLE 302-2 ILLUSTRATION OF PRO FORMA ENTRIES FOR THE FMS TRUST FUND**  
**(CONTINUED)**

**8. The entries to record the issuance of an allotment for the administrative surcharge budget:**

|      |  |         |         |
|------|--|---------|---------|
| 4131 | Contract Authority without Liquidating Appropriation | \$4,000 |         |
| 4150 | Other New Budget Authority                           |         | \$4,000 |
| 4450 | Authority Available                                  | \$4,000 |         |
| 4516 | Unallocated Unfunded Contract Authority              |         | \$4,000 |
| 4516 | Unallocated Unfunded Contract Authority              | \$4,000 |         |
| 4541 | Allocations Issued-Direct Program                    |         | \$4,000 |
| 4580 | Allotments Received                                  | \$4,000 |         |
| 4611 | Uncommitted/Unobligated Allot-Direct Program         |         | \$4,000 |

**9. SAAC records the obligation and reimbursement for administrative surcharge expenses:**

|      |  |         |         |
|------|--|---------|---------|
| 4611 | Uncommitted/Unobligated Allot.- Direct Program | \$4,000 |         |
| 4931 | Accrued Expenditures-Paid Direct Program       |         | \$4,000 |
| 2312 | Unearned Revenue - Advances from Public        | \$4,000 |         |
| 2111 | Accounts Payable-Government Current            |         | \$4,000 |
| 2111 | Accounts Payable-Government Current            | \$4,000 |         |
| 1012 | Funds Disbursed                                |         | \$4,000 |

**10. The Implementing Agency reports accrued expenditures unpaid via a Status of Direct Cite Allotment (REI) transaction.**

|      |  |           |           |
|------|--|-----------|-----------|
| 2312 | Unearned Revenue - Advances from Public    | \$100,000 |           |
| 2113 | Accounts Payable-Public                    |           | \$100,000 |
| 4811 | Undelivered Orders-Direct Program          | \$100,000 |           |
| 4910 | Accrued Expenditures-Unpaid Direct Program |           | \$100,000 |

**11. The Implementing Agency reports payment to the Defense Contractor via a SDI transaction.**

|      |  |           |           |
|------|--|-----------|-----------|
| 2113 | Accounts Payable-Public                    | \$100,000 |           |
| 1012 | Funds Disbursed                            |           | \$100,000 |
| 4910 | Accrued Expenditures-Unpaid Direct Program | \$100,000 |           |
| 4931 | Accrued Expenditures-Paid Direct Program   |           | \$100,000 |

**TABLE 302-2 ILLUSTRATION OF PRO FORMA ENTRIES FOR THE FMS TRUST  
FUND (CONTINUED)**

**12. The Implementing activity reports the obligation for nonrecurring costs via a DD Form 2060 or REI transaction.**

|      |  |          |          |
|------|--|----------|----------|
| 4131 | Contract Authority without Liquidating Appropriation | \$20,000 |          |
| 4150 | Other New Budget Authority                           |          | \$20,000 |
| 4450 | Authority Available                                  | \$20,000 |          |
| 4516 | Unallocated Unfunded Contract Authority              |          | \$20,000 |
| 4516 | Unallocated Unfunded Contract Authority              | \$20,000 |          |
| 4541 | Allocations Issued-Direct Program                    | \$20,000 |          |
| 4580 | Allotments Received                                  | \$20,000 |          |
| 4611 | Uncommitted/Unobligated Allot.- Direct Program       |          | \$20,000 |
| 4611 | Uncommitted/Unobligated Allot.- Direct Program       | \$20,000 |          |
| 4811 | Undelivered Orders-Direct Program                    |          | \$20,000 |

**13. The Implementing Agency reports self-reimbursement for nonrecurring costs using a SDI transaction.**

|      |  |          |          |
|------|--|----------|----------|
| 2312 | Unearned Revenue - Advances from Public  | \$20,000 |          |
| 1012 | Funds Disbursed Allot.- Direct Program   |          | \$20,000 |
| 4811 | Undelivered Orders-Direct Program        | \$20,000 |          |
| 4931 | Accrued Expenditures-Paid Direct Program |          | \$20,000 |

**14. The Implementing Agency reports completion of work on the FMS customer order and delivery of the systems ordered to the customer. SAAC records the administrative surcharge revenue applicable to the delivered value. Offsetting entries are recorded in subsidiary accounts within GLA 2312, "Unearned Revenue - Advances from Public."**

**TABLE 302-2 ILLUSTRATION OF PRO FORMA ENTRIES FOR THE FMS TRUST FUND**  
**(CONTINUED)**

15. The entries required to record case closure based upon the Military Activity sending SAAC a case closure certificate and SAAC sending the FMS customer a Final Statement of Account. (These entries are not recorded until the end of the fiscal year for cases closed during the year to provide visibility of activity in these accounts during the year):

|      |   |           |           |
|------|---|-----------|-----------|
| 1012 | Funds Disbursed                                   | \$123,600 |           |
| 1011 | Funds Collected                                   |           | \$123,600 |
| 4541 | Allocations Issued-Direct Program                 | \$123,600 |           |
| 4132 | Contract Authority-With Liquidating Appropriation |           | \$123,600 |
| 4931 | Accrued Expenditures Paid Direct Program          | \$123,600 |           |
| 4580 | Allotments Received                               |           | \$123,600 |

**TABLE 302-3 REPORT ON FINANCIAL POSITION**

Standard Form 220  
November 1988  
1 TFM 2-4100

**REPORT OF FINANCIAL POSITION**  
as of 30 September 1991  
(in dollars)

Page 1 of 3  
IAR No. 1178-TD-XX

**IDENTIFICATION:**

DEPARTMENT/AGENCY: Department of Defense

BUREAU/ORGANIZATIONAL UNIT: Foreign Military Sales Program

OMB IDENTIFICATION CODE: 11X8242 FUND TYPE: 3

| Assets  | Source General<br>Ledger Account | Total<br>current period |
|---|----------------------------------|-------------------------|
| 1. Fund balance with Treasury and cash (SF 220-1) |                                  |                         |
| a. Fund Balance(s)                                | 1010                             | 6,776,664,186           |
| b. Cash *   | 1100                             | 5,186,975,337           |
| c. Foreign currency, net                          |                                  |                         |
| d. Subtotal                                       |                                  | 11,963,639,523          |
| 2. Accounts receivable (SF 220-9)                 |                                  |                         |
| a. Federal agencies                               |                                  |                         |
| 1. Current  |                                  |                         |
| 2. Noncurrent                                     |                                  |                         |
| b. Public   |                                  |                         |
| 1. Current  | 1313, 1316, 1320                 | 8,013,267,823           |
| 2. Noncurrent                                     |                                  |                         |
| c. Less: Allowances                               |                                  |                         |
| d. Subtotal                                       |                                  | 8,013,267,823           |
| 3. Advances and prepayments                       |                                  |                         |
| a. Operating consumables                          |                                  |                         |
| b. Product or service components                  |                                  |                         |
| c. Stockpiled materials                           |                                  |                         |
| 4. Inventories (SF 220-1)                         |                                  |                         |
| a. Operating consumables                          |                                  |                         |
| b. Product or service components                  |                                  |                         |
| c. Stockpiled materials                           |                                  |                         |
| d. Other 1.                                       |                                  |                         |
| 2.  |                                  |                         |
| 3.  |                                  |                         |
| 4.  |                                  |                         |
| e. Subtotal                                       |                                  |                         |
| 5. Investments, net (SF 220-1)                    |                                  |                         |
| a. Federal securities                             |                                  |                         |
| b. Non-Federal securities                         |                                  |                         |
| c. Other 1.                                       |                                  |                         |
| 2.  |                                  |                         |
| 3.  |                                  |                         |
| 4.  |                                  |                         |
| d. Subtotal                                       |                                  |                         |
| 6. Loans receivable (SF 220-8, SF 220-9)          |                                  |                         |
| a. Federal agencies                               |                                  |                         |
| 1. Current  |                                  |                         |
| 2. Noncurrent                                     |                                  |                         |
| b. Public   |                                  |                         |
| 1. Current  |                                  |                         |
| 2. Noncurrent                                     |                                  |                         |
| c. Less: Allowances                               |                                  |                         |
| d. Subtotal                                       |                                  |                         |

\* This amount represents cash advances held in commercial interest bearing bank accounts at the request of the foreign customer. These funds are not required for immediate Trust Fund use.

**TABLE 302-3 REPORT ON FINANCIAL POSITION (CONTINUED)**Standard Form 220  
November 1988**REPORT OF FINANCIAL POSITION**  
as of 30 September 1991  
(in dollars)

Page 2 of 3

| BUREAU/ORGANIZATIONAL UNIT:                          |                                  |                         |
|--|----------------------------------|-------------------------|
| Assets-Continued                                     | Source General<br>Ledger Account | Total<br>current period |
| 7. Property, plant, and equipment, net (SF 220-1)    |                                  |                         |
| a. Structures, facilities and leasehold improvements |                                  |                         |
| b. Military equipment                                |                                  |                         |
| c. ADP software                                      |                                  |                         |
| d. Equipment   |                                  |                         |
| e. Assets under capital lease                        |                                  |                         |
| f. Other 1.  |                                  |                         |
| 2.   |                                  |                         |
| 3.   |                                  |                         |
| 4.   |                                  |                         |
| g. Construction-in-progress                          |                                  |                         |
| h. Land  |                                  |                         |
| i. Allowances  |                                  |                         |
| j. Subtotal  |                                  |                         |
| 8. Other assets                                      |                                  |                         |
| a.   |                                  |                         |
| b.   |                                  |                         |
| c.   |                                  |                         |
| d.   |                                  |                         |
| e.   |                                  |                         |
| 9. Total assets                                      |                                  | 19,976,907,346          |
| Liabilities  |                                  |                         |
| 10. Accounts payable                                 |                                  |                         |
| a. Federal agencies                                  | 2111, 2112                       | 47,291,931              |
| b. Public  | 2113                             | 134,391,259             |
| c. Subtotal  |                                  | 181,683,190             |
| 11. Interest payable                                 |                                  |                         |
| a. Federal agencies                                  |                                  |                         |
| b. Public  |                                  |                         |
| c. Subtotal  |                                  |                         |
| 12. Accrued payroll and benefits                     |                                  |                         |
| 13. Accrued unfunded annual leave                    |                                  |                         |
| 14. Unearned revenue (advances)                      |                                  |                         |
| a. Federal agencies                                  | 2311                             |                         |
| b. Public  | 2312, 2320                       | 11,781,956,333          |
| c. Subtotal  |                                  | 11,781,956,333          |
| 15. Deposit funds                                    |                                  | 8,013,267,823           |
| 16. Debt Issued under borrowing authority (SF 220-1) |                                  |                         |
| a. Gross Federal debt                                |                                  |                         |
| b. Intragovernmental debt                            |                                  |                         |
| c. Other debt  |                                  |                         |
| d. Subtotal  |                                  |                         |
| 17. Actuarial liabilities (SF 220-1)                 |                                  |                         |
| a. Pension plans                                     |                                  |                         |
| b. Insurance and annuity programs                    |                                  |                         |
| c. Subtotal  |                                  |                         |



**TABLE 302-3 REPORT ON FINANCIAL POSITION (CONTINUED)**Standard Form 220  
November 1988**REPORT OF FINANCIAL POSITION**  
as of 30 September 1991  
(in dollars)

Page 3 of 3

| BUREAU/ORGANIZATIONAL UNIT:                       |                                  |                         |
|---|----------------------------------|-------------------------|
| Liabilities-Continued                             | Source General<br>Ledger Account | Total<br>current period |
| 18. Other liabilities                             |                                  |                         |
| a. _____  |                                  |                         |
| b. _____  |                                  |                         |
| c. _____  |                                  |                         |
| d. _____  |                                  |                         |
| e. Subtotal _____                                 |                                  |                         |
| 19. Total liabilities _____                       |                                  | 19,976,907,346          |
| <b>Equity</b>                                     |                                  |                         |
| <b>Appropriated fund equity</b>                   |                                  |                         |
| 20. Unexpended financed budget authority          |                                  |                         |
| a. Unexpended appropriations _____                |                                  |                         |
| b. Less: Unfilled customer orders (Federal) _____ |                                  |                         |
| c. Subtotal _____                                 |                                  |                         |
| 21. Invested capital _____                        |                                  |                         |
| <b>Revolving fund equity</b>                      |                                  |                         |
| 22. Revolving fund balance(s)                     |                                  |                         |
| a. Appropriated capital _____                     |                                  |                         |
| b. Cumulative results _____                       |                                  |                         |
| c. Donations _____                                |                                  |                         |
| d. Subtotal _____                                 |                                  |                         |
| <b>Trust fund equity</b>                          |                                  |                         |
| 23. Trust fund balance(s) _____                   |                                  |                         |
| 24. Total equity _____                            |                                  |                         |
| 25. Total liabilities and equity _____            |                                  | 19,976,907,346          |
| <b>AGENCY CONTACTS</b>                            |                                  |                         |
| 1. Preparer's Name                                | 2. Telephone No.                 |                         |
| John Doe  | 370-4174                         |                         |
| 3. Address  |                                  |                         |
| DFAS - Denver Center, Attn: IR                    |                                  |                         |
| 4. Supervisor's Name                              | 5. Telephone No.                 |                         |
| Joni Smith  | 370-7791                         |                         |

### 0303 IMPLEMENTING AGENCY ACCOUNTING REQUIREMENTS

**030301. Reimbursable Orders.** Amounts in Column 10 of the DD Form 2060 (or automated equivalent), "FMS Obligational Authority," represent the portion of the FMS order that will be accomplished on a reimbursable basis. The applicable DoD appropriation or fund accounting system must maintain an audit trail between the applicable DD Form 2060 and appropriation or fund accounting records. DD Form 2060, Part B or automated equivalent, must arrive at the SAAC by the 20th calendar day following the close of each accounting month. The report format is in Table 202-5. Preparation and processing instructions are outlined in Section 202. Performance within the financing appropriation or fund account will be controlled in accordance with the accounting system established for the particular appropriation or fund account. Pro forma entries to a procurement appropriation account using the DoD Uniform Chart of Accounts (UCA) are illustrated in Tables 303-3, 303-4, and 303-5. Table 303-3 illustrates accounting entries for replacement transactions. Table 303-4 illustrates accounting entries when procurement action is taken on behalf of the customer. Table 303-5 illustrates accounting entries when amounts are collected for deposit to Miscellaneous Receipts Account 3041. Appropriation or fund bills for earned reimbursements shall be processed in accordance with Chapter 8 of this Volume. Thus, the FMS accounting system tracks orders into and out of the normal appropriation or fund accounting systems. The FMS accounting system is not intended to track the financial status, obligation, etc., while reimbursable performance is in process. The status of specific customer requisitions can be obtained through logistical system inquiries. Applicable logistics status reports are provided to case managers and to FMS customers and are not to be confused with financial status reports.

**030302. Allotments for Direct Citation.** Amounts in Column 11 of the DD Form 2060 which are coded "(A)" represent allotments of case contract authority. Allotment holders must request expenditure authority (EA) from the SAAC prior to processing the disbursements against the contract authority. Expenditure

authority is provided by SAAC from the FMS Trust Fund incrementally based upon the allottee's need to disburse funds. The allotment holder is responsible for detailed case level accounting records and for providing a monthly status-of-allotment report on each applicable FMS case that is entered into the FMS Trust Fund accounting records. Specific requirements:

A. The DoD Component which holds an allotment of the FMS Trust Fund for direct citation on contracts shall maintain detailed commitment, obligation, and expenditure records on an FMS case-by-case basis and shall provide to the SAAC a monthly status-of-allotment input reflecting these case level data. The status of expenditures shall be supported by delivery transactions in an amount equal to the current month's net change in accrued expenditures or cash advances to contractors. A manual status-of-allotment format is illustrated in Table 303-1. Automated equivalents (RE Transactions) are described in Table 303-2.

B. Monthly status-of-allotment information and associated reports of reconciliation must be submitted to arrive at the SAAC by the 20th calendar day following the close of each accounting month. This information, with detailed supporting documentation, shall be used as the basis for SAAC entries to case level accounting records and overall Trust Fund reconciliation with the U.S. Treasury. The manual format is in Table 303-1. Instructions for completion of the report follow:

1. From. Enter the name and address of the agency preparing the report.

2. To. Enter DFAS-DE/I (SAAC), 6760 East Irvington Place, Denver, Colorado 80279-2000.

3. For Authorization Issued to. Enter the name of the implementing agency and office designation.

4. Reporting Fiscal Officer. Enter the signature and rank of the reporting fiscal officer. Signature represents certification that the report is accurate and complete to the best knowledge of the fiscal officer.

5. For Period Ended. Enter the last day of the reporting month.

6. Report Project No.: For direct cite list each active FMS case for which direct cite obligational authority has been obtained (see Chapter 2). Cases shall be grouped by country and in sequence of date accepted. Provide country and agency totals. For the administrative fund allotment report break out the data by object class.

7. Annual Approved Authority. The direct cite obligational authority for each FMS case shall be obtained from Column 11 of the current year DD Form 2060.

8. Current Month Commitments. Dollar amounts shall be reported on a case basis from an FMS Trust Fund accounting subsystem. The reporting DoD Component shall retain basic source documents supporting reported amounts.

9. Cumulative Commitments to Date. This dollar amount shall be reported on a case basis and represents the total dollar value of outstanding commitments against Column 7 authority received for each case. At year end commitments shall be zero because applicable obligational authority is returned to the FMS Trust Fund.

10. Current Month Obligations. This amount shall be reported on a case basis and obtained from an FMS Trust Fund accounting subsystem. The reporting DoD Component shall retain basic source documents supporting reported amounts.

11. Cumulative Obligations to Date. This dollar amount shall be reported on a case basis and represents the total dollar value of obligations incurred in the current fiscal year.

12. Accrued Expenditures Unpaid. Dollar amounts shall be reported on a case basis and obtained from an FMS Trust Fund accounting system.

13. Cash Disbursements. Report amounts of disbursements in the current month. Disbursements shall be reported on a case basis

and obtained from an FMS Trust Fund accounting subsystem. The reporting DoD Component shall retain basic source documents supporting reported amounts. When a portion or all of the amounts previously reported are earned, show a minus figure with a corresponding entry in the disbursement column. Progress payments or advances to contractors should be broken out where available from the accounting system.

**030303. Supporting DoD Components.** Those DoD Components which are not implementing agencies but support the FMS program in response to implementing agency work requests must carefully review applicable work requests to determine the financing source. If the financing source is one of the implementing agency appropriation accounts, the request shall be recorded and processed as an internal DoD order. If the recipient is a suballocation holder, the required allotment status report shall be provided to the allotment holder and consolidated into the allotment status report to SAAC.

**030304. Fiscal Year-End Reporting Requirements.** DoD Components are required to submit certified final fiscal year consolidated hard copy DD Form 2060, Part B, and DoD Status-of-Allotment information for direct cite funds, to the SAAC. Submission dates will be established in accordance with special instructions issued by DFAS. The forms submitted may be manual forms or automated equivalents.

A. Final DD Form 2060, Part B, will contain the following certification:

"I hereby certify that this report reflects FMS Obligational Authority as required by DoD 7000.14-R, Volume 15, paragraph 020105.A."

B. Final status-of-allotment report must contain the following signed certification:

"I hereby certify that the amounts shown in this report are correct. All known transactions meeting the criteria of 31 U.S.C.1501(a) have been obligated and are so reported."

**TABLE 303-1 FORMAT FOR THE DOD STATUS-OF-ALLOTMENT REPORT**

[illegible]

**TABLE 303-2 STATUS OF DIRECT ALLOTMENT "RE" TRANSACTION**

| Data Element Description and Element Abbreviation | Format/<br>No. of<br>Position | FICS<br>TRC | Edit/Validations of:<br>REI Input--MILDEP to SAAC<br>REF Feedback--SAAC to MILDEP  |
|---|-------------------------------|-------------|--|
| Document Identifier Code (DIC)                    | X(3)                          |             |  |
| Direct Status (INPUT)                             | '1-3                          | '002        | Must be "REI", if not reject.  |
| Direct Status (FEEDBACK)                          | '1-3                          |             | "REF" is a machine generated duplicate of the REI transactions and appended by the Positive Transaction Control (PTC) to become the REF transactions |
| Transaction Control No. (YYMMDDNNNNNV)            | X(13)<br>'4-16                | '152        | Must be numeric (0-9)  |
|   |                               | '152        | YYMMDD must be equal to or less than current date  |
|   |                               | '249        | Version Number (V) must be "0" if Action Code is "A" (add)   |
|   |                               | '248        | Version Number (V) must be 1 thru 9 if Action Code is "C" (change) and must be one greater than suspense version No.                                 |
|   |                               | '251        | If Action Code is "C" (change) or "D" (delete), Transaction Control number (TCN)(excluding V) must equal suspense file. (YYMMDDNNNNNV)               |
| Action Code                                       | X(1)<br>17                    | '003        | Must be "A", "C", or "D", otherwise invalid. A=Add; C=Change; D=Delete   |
| Country Code (CC)                                 | X(2)<br>18-19                 | '037        | Country code MUST match SAAC Country code Table  |
| Implementing Agency Code (IA)                     | X(1)<br>20                    | '038        | If Site Code equals "5" or "6", IA code must be on IA Table.   |

**TABLE 303-2 STATUS OF DIRECT ALLOTMENT "RE" TRANSACTION (CONTINUED)**

| Data Element Description and Element Abbreviation   | Format/<br>No. of<br>Position | FICS<br>TRC  | Edit/Validations of: Transactions<br>REI Input--MILDEP to SAAC<br>REF Feedback--SAAC to MILDEP |
|---|-------------------------------|--|--|
| Case Designator   | X(3)<br>21-23                 | '041   | MUST match the Active Case control file or match on Case Control History.                      |
|   |                               | '031   | Case status must equal "I" (Implemented) or "C" (Closed).                                      |
| Amount Commitments Cumulative from Inception (CFI)  | S(12)V99<br>24-37             | 156  | MUST be numeric (0-9).   |
|   |                               | 310  | MUST be positive amount except country Iran can be negative.                                   |
| Amount Obligations (OA) Cumulative from Inception (CFI)   | S(12)V99<br>V99<br>38-51      | 156  | MUST be numeric (0-9).   |
|   |                               | 311  | Must be positive amount, except country Iran can be negative.                                  |
| Unpaid Government End of Period   | S9(12)<br>V99<br>52-65        | 156  | MUST be numeric (0-9); may be negative.  |
| Unpaid non-government End of Period   | S9(12)<br>V99<br>66-79        | 156  | MUST be numeric (0-9); may be negative.  |
| Date Accounting Month (YYMM)  | X(4)<br>80-83                 | '016   | YYMM must equal current month or one month prior.  |
| <b>THE POSITIVE TRANSACTION CONTROL FEEDBACK CONTAINS THE ORIGINAL REI TRANSACTION PLUS THE FOLLOWING DATA ELEMENTS FOR THE REF TRANSACTION</b> |                               |  |  |
| Transaction Reply Code (TRC)  | X(15)<br>84-98                | FEEDBACK TRANSACTIONS ONLY. This 15 character element is appended to the feedback format of all interface transactions by the recipient system. This area will contain 1 to 5, 3-digit transaction reply codes to communicate back to the originator system the result of processing the transaction. (Left justified/space filled). |  |

**TABLE 303-3 REPLACEMENT TRANSACTIONS**

Items Sold from Inventory Entries in Procurement Appropriation Accounts  
in Terms of DoD UCA (Replacement - Tank Valued at \$500,000)

|   |           |           |
|---|-----------|-----------|
| 1. Allotted Reimbursable Program - Current Period                                   | \$500,000 |           |
| Customer Orders Accepted - Specific Apportionment                                   |           | \$500,000 |
| Unfilled Customer Orders - Specific Apportionment                                   | \$500,000 |           |
| Uncommitted or Unobligated Allotments -<br>Reimbursable Program - Current Year      |           | \$500,000 |
| To record receipt of DD Form 2060   |           |           |
| 2. Cost of Sales  | \$500,000 |           |
| Equipment Not in Use  |           | \$500,000 |
| Reimbursements Earned - Uncollected - Specific Apportionment                        | \$500,000 |           |
| Unfilled Customer Orders - Specific Apportionment                                   |           | \$500,000 |
| Accounts Receivable - Government (SAAC)   | \$500,000 |           |
| Revenue - Reimbursable Sale of Property   |           | \$500,000 |
| To record shipment of tank from inventory   |           |           |
| 3. Reimbursements Earned - Collected  | \$500,000 |           |
| Reimbursements Earned - Uncollected   |           | \$500,000 |
| Funds Collected (Cash)  | \$500,000 |           |
| Accounts Receivable - Government (SAAC)   |           | \$500,000 |
| To record collection from FMS Trust Fund  |           |           |
| 4. Uncommitted or Unobligated Allotments -<br>Reimbursable Program - Current Period | \$500,000 |           |
| Undelivered Orders - Reimbursable Program   |           | \$500,000 |
| To record award of contract to replace tank   |           |           |
| 5. Equipment Not in Use   | \$500,000 |           |
| Accounts Payable - Public   |           | \$500,000 |
| Undelivered Orders - Reimbursable Program   | \$500,000 |           |
| Accrued Expenditures - Unpaid - Reimbursable Program                                |           | \$500,000 |
| 6. Accounts Payable - Public  | \$500,000 |           |
| Funds Disbursed   |           | \$500,000 |
| Accrued Expenditures - Unpaid - Reimbursable Program                                | \$500,000 |           |
| Accrued Expenditures - Paid - Reimbursable Program                                  |           | \$500,000 |
| To record payment to contractor   |           |           |

**TABLE 303-4 NEW PROCUREMENT TRANSACTIONS**

Items Procured on Reimbursable Basis Entries in Procurement Appropriation Accounts  
in Terms of DoD UCA (New Procurement - Tank Contract Cost \$500,000)

|  |           |           |
|--|-----------|-----------|
| 1. Allotted Reimbursable Program - Current Period                                  | \$500,000 |           |
| Customer Orders Accepted - Specific Apportionment                                  |           | \$500,000 |
| Unfilled Customer Orders - Specific Apportionment                                  | \$500,000 |           |
| Uncommitted or Unobligated Allotment - Reimbursable Program -<br>Current Period    |           | \$500,000 |
| To record receipt of DD Form 2060  |           |           |
| 2. Uncommitted or Unobligated Allotment - Reimbursable<br>Program - Current Period | \$500,000 |           |
| Undelivered Orders - Reimbursable Program  |           | \$500,000 |
| To record award of contract to procure tank  |           |           |
| 3. Equipment Not in Use  | \$500,000 |           |
| Accounts Payable - Public  |           | \$500,000 |
| Undelivered Orders - Reimbursable Program  | \$500,000 |           |
| Accrued Expenditures - Unpaid - Reimbursable Program                               |           | \$500,000 |
| To record delivery of tank to Army by contractor                                   |           |           |
| 4. Accounts Payable - Public   | \$500,000 |           |
| Funds Disbursed  |           | \$500,000 |
| Accrued Expenditures - Unpaid - Reimbursable<br>Program                            | \$500,000 |           |
| Accrued Expenditures - Paid - Reimbursable Program                                 |           | \$500,000 |
| To record payment to contractor  |           |           |
| 5. Cost of Sales   | \$500,000 |           |
| Equipment Not in Use   |           | \$500,000 |
| Reimbursements Earned - Uncollected - Specific<br>Apportionment                    | \$500,000 |           |
| Unfilled Customer Orders - Specific Apportionment                                  |           | \$500,000 |
| Accounts Receivable - Government (SAAC)  | \$500,000 |           |
| Reimbursable Sales of Property   |           | \$500,000 |
| To record shipment of tank from Army to Customer                                   |           |           |



**TABLE 303-4 NEW PROCUREMENT TRANSACTIONS (CONTINUED)**

|  |           |           |
|--|-----------|-----------|
| 6. Reimbursements Earned - Collected     | \$500,000 |           |
| Reimbursements Earned - Uncollected      |           | \$500,000 |
| Funds Collected (Cash)                   | \$500,000 |           |
| Accounts Receivable - Government (SAAC)  |           | \$500,000 |
| To record collection from FMS Trust Fund |           |           |

**NOTE:** Reimbursable procurements for FMS are an exception to DoD Policy. See paragraph 070101.F.

**TABLE 303-5 ITEM NOT TO BE REPLACED TRANSACTIONS**

Items Sold from Inventory  
Entries in Procurement Appropriation Accounts  
in Terms of DoD UCA  
(Item Not To Be Replaced - Tank Valued at \$500,000)

|   |           |           |
|---|-----------|-----------|
| 1. Cost of Sales  | \$500,000 |           |
| Equipment Not in Use  |           | \$500,000 |
| Accounts Receivable - Government (for Treasury Account 3041)                  | \$500,000 |           |
| General Fund Sales of Property  |           | \$500,000 |
| To record shipment of tank from inventory                                     |           |           |
| 2. Funds Returned to the Treasury   | \$500,000 |           |
| Accounts Receivable - Government (for Treasury Accounts 3041 or 4116)         |           | \$500,000 |
| To record the transfer of free assets to Miscellaneous Receipts Account 3041. |           |           |

**NOTE:** In the event entries were made to budgetary accounts to record the order against the Allotted reimbursable Program, Current Period or Unfilled Customer Orders or Specific Apportionment, the reversing of entries shall be required. There shall be no obligation recorded in the procurement accounts when proceeds from free assets are transferred to Miscellaneous Receipts Account 3041.

**0304 ACTUAL ADMINISTRATIVE  
EXPENSE ACCOUNTING REQUIREMENTS****030401. Reimbursement for FMS Administrative  
Expenses**

A. Administrative expenses shall be priced in accordance with Section 706 of this Volume and charged directly to the allotment received from the SAAC for actual FMS administrative expenses. Status-of-allotment information shall be submitted in the DoD standard format prescribed in Table 303-1 and completed according to instructions in paragraph 030302.B. and 030401.C. below. In the event the allotment is used as the basis for issuing reimbursable orders to appropriation accounts, a schedule reflecting the dollar value of orders released to each appropriation shall be attached to the status-of-allotment format. Administrative expenses may not be incurred in excess of the allotment nor are DoD Components authorized to incur obligations against appropriated fund operation accounts to finance FMS administrative budgets. To summarize, appropriated funds shall not be utilized to subsidize FMS administrative operations.

B. Upon review of the budget requests submitted in response to its administrative budget call, DSAA will approve a single budget amount and SAAC will issue an allotment providing funding in the amount of the approved budget. The recipient will prepare an allotment report showing actual uses for either administrative expense. The information shall be based upon the organization designation in the DSAA budget call. Allotments for administrative expenses shall be fully funded for obligations. Receiving DoD Components shall use "no-check SF 1080" self-reimbursement procedures to reimburse appropriation accounts. Reimbursable procedures apply when the Trust Fund is not directly cited as the financing source of payrolls, contracts, or travel orders.

C. Additional instructions for completing the status-of-administrative-expense-allotment format follow:

1. Budget Project No. The status-of-allotment for administrative expenses is provided by object class:

- 11.1 Permanent civilian positions
- 11.3 Civilian positions other than permanent
- 11.5 Other civilian compensation
- 11.8 Special personnel services payment
- 12.1 Personnel benefits - civilian
- 12.2 Personnel benefits - military personnel
- 21.0 Travel and transportation of persons
- 22.0 Transportation of things
- 23.1 Rent, communications and utilities (excluding ADP)
- 23.2 ADP rent, communications and utilities
- 24.0 Printing and reproduction
- 25.1 Other services excluding ADP and BOS
- 25.2 Other services, ADP
- 25.3 Base Operations Support
- 26.0 Supplies and materials
- 31.0 Equipment-Non ADP
- 31.1 Equipment-ADP
- 42.1 Reports of Discrepancy without Transportation
- 42.2 Unfunded civilian retirement

2. Authorizations, Allotments Received to Start of Period. This column includes all current fiscal year DSAA allotments for actual FMS administrative expenses which were received to the start of the current reporting period.

3. Authorizations, Changes this Month. This column includes DSAA allotments for actual FMS administrative expenses which were granted during the reporting month.

4. Commitments, Obligations, and Disbursements. The dollar value of commitments, obligations, and disbursements shall be obtained from allotment ledgers. See paragraph 030104 for guidance on source documents required to support entries to allotment ledgers.

D. Status of Administrative Expense Allotment reports shall be supported by subsidiary allotment status reports for organizations set forth in this paragraph. Subsidiary reports shall follow this format with one exception; Block 1

shall be annotated "Subsidiary report-(Name of organization)."

### 1. U.S. Army Activities

- a. Army Materiel Command (AMC).
- b. Chief of Staff - Army (CSA).
- c. Surgeon General (SUR GEN).
- d. Army Adjutant General (TAG).
- e. Health Services Command (HSC).
- f. Army Training and Doctrine Command (TRADOC).
- g. U.S. Army Forces Command (FORSCOM).
- h. Information Systems Command (ISC).
- i. U.S. Army Europe (USEUR).
- j. U.S. Army Western Command (WESTCOM).
- k. Army Corps of Engineers (COE).
- l. Army-All Other.

### 2. U.S. Navy Activities

- a. Assistant Under Secretary of Navy (AAUSN).
- b. Navy International Program Office (Navy IPO).
- c. U.S. Marine Corps (USMC).
- d. Bureau of Naval Personnel (BUPERS).
- e. Chief, Naval Education Training Security Assistance Field Activity (NETSAFA).
- f. Naval Security Group (NSG).
- g. Commander-in-Chief Atlantic Fleet (CINCLANTFLT).
- h. Commander-in-Chief Pacific Fleet (CINCPACFLT).
- i. United States Coast Guard (USCG).
- j. Navy Supply Systems Command (NAVSUP).
- k. Naval Air Systems Command (NAVAIR).
- l. Naval Seas Systems Command (NAVSEA).
- m. Space and Naval Warfare Systems Command (SPAWAR).
- n. Navy-All other.

### 3. U.S. Air Force Activities

- a. Air Force Materiel Command (AFMC) (AFLC combined with AFSC).
- b. Air Force Communications Command (AFCC).
- c. Air Training Command (ATC).

- d. Pacific Air Force (PACAF).
- e. Air Mobility Command (AMC) (TAC combined with SAC and MAC).
- f. U.S. Air Force Europe (USAFE).
- g. Electronic Systems Command (HQ ESC).
- h. HQ U.S. Air Force (HQ USAF).
- i. Air Force-All other.

### 4. Defense Finance and Accounting Service

- a. Cleveland Center.
- b. Columbus Center.
- c. Denver Center.
- d. Indianapolis Center.
- e. Kansas City Center.

## 0305 INTERNAL CONTROL

**030501. Objectives.** This section contains, in part, the Comptroller General's internal control standards to be followed by executive agencies (to include FMS implementing agencies and SAAC) in establishing and maintaining systems of internal control as required by the Federal Manager's Financial Integrity Act of 1982 [31 U.S.C. 3512(b)][reference (j)]. Internal control systems are to reasonably ensure that the following objectives are achieved:

A. Financial management of the FMS program complies with this Volume.

B. All assets are safeguarded against waste, loss, unauthorized use, and misappropriation.

1. FMS Trust Fund monies are subject to the same basic controls as appropriated funds.

2. DoD activities must insure that FMS-related management efforts (e.g., manpower, equipment support costs, etc.) are charged to the proper reimbursable order or allotment as applicable. There must also be controls to ensure these reimbursable orders or allotments are not exceeded. If they are exceeded, a report must be submitted under the provisions of paragraphs 021201 and 021203 and internal control procedures must be reviewed to prevent recurrence.

C. Revenues and expenditures applicable to the FMS program are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained.

**030502. Internal Control Standards.** The following internal control standards define the minimum level of quality acceptable for internal control systems in operation and constitute the criteria for financial management of the FMS program to be evaluated.

A. General Standards.

1. Reasonable Assurance.

Internal control systems are to provide reasonable assurance that the objectives of this Volume will be accomplished.

2. Supportive Attitude.

Managers and employees are to maintain and demonstrate a positive and supportive attitude toward internal control at all times.

3. Competent Personnel.

Managers and employees are to have personal and professional integrity and are to maintain a level of competence that allows them to accomplish their assigned duties, as well as understand the importance of developing and implementing good internal controls.

4. Control Techniques.

Internal control techniques are to be effective and efficient, and in accordance with the overall requirements of this Volume.

B. Specific Standards.

1. Documentation.

Internal control systems and all transactions and other significant events are to be clearly documented, and the documentation is to be readily available for examination.

2. Recording of Transactions and

Events. Transactions and other significant events are to be promptly recorded and properly classified.

3. Execution of Transactions and

Events. Transactions and other significant events are to be authorized and executed only by persons acting within the scope of their authority.

4. Separation of Duties.

Key duties and responsibilities in authorizing, processing, recording, and reviewing transactions should be separated among individuals.

5. Supervision.

Qualified and continuous supervision is to be provided to ensure that the pricing and reporting requirements established in this Volume are achieved.

6. Access to and Accountability

for Resources. Access to resources and records is to be limited to authorized individuals, and accountability for the custody and use of resources is to be assigned and maintained. Periodic comparison shall be made of the resources with the recorded accountability to determine whether the two agree. The frequency of the comparison shall be a function of the vulnerability of the asset.

C. Audit Resolution Standard.

Managers are to (1) promptly evaluate findings and recommendations reported by auditors, (2) determine proper actions in response to audit findings and recommendations, and (3) complete, within established time-frames, all actions that correct or otherwise resolve the matters brought to management's attention. For additional guidance, see the SAMM, Chapter 13 [reference (e)].

**030503. Annual Statement of Assurance**

A. SAAC will be responsible for the conduct of annual review of the DoD Security Assistance accounting system. As part of the review, system managers within DoD Components which feed the SAAC central Security Assistance accounting system are required to submit to SAAC annual certifications. The feeder system certifications must contain a statement on the adequacy of feeder systems internal controls and compliancy with Comptroller General accounting principles and standards. See Table 305-1.

B. The results of the review will provide SAAC the basis for preparing the annual Statements of Assurance required under Sections II and IV of the Federal Manager's Financial Integrity Act (FMFIA) of 1982 [reference (j)].

030504. Memorandums of Agreement. Memo

randums of agreement will be negotiated between the Military Departments and DFAS for integrated security assistance systems. These MOAs will assure that DFAS identify and define accounting segments that will be under the control of DFAS and ensure compliance with accounting standards and principles.

**TABLE 305-1 ANNUAL STATEMENT OF ASSURANCE FORMAT FOR  
CERTIFICATION OF FEEDER SYSTEMS**

MEMORANDUM FOR DFAS-DE/IQ

SUBJECT: Federal Managers' Financial Integrity Act (FMFIA) FY 9X Annual Certification of Feeder Systems

The (Name of System), taken as a whole, does/does not conform to the accounting principles and standards prescribed by the Comptroller General in the General Accounting Office (GAO) Policy and Procedures Manual for Guidance of Federal Agencies, Title 2 - Accounting. All systems reviewed were/were not deemed to be in substantial compliance with the Comptroller General accounting principles and standards. Instances of nonconformance were/were not detected. (If major nonconformances exist, attach a statement explaining the nature and planned corrective action for each instance.)

Point of contact is (name) DSN (number) or commercial (number).

John Doe  
Certifying Official

**REFERENCES APPLICABLE TO CHAPTERS 3, 4, 5, 6, 7 AND 8**

(a) Public Law 90-629, "The Foreign Military Sales Act of 1968," was amended by Public Law 94-329, "The International Security Assistance and Arms Export Control Act of 1976," and they are commonly referred to as the "Arms Export Control Act (AECA)." Previous legislation included "The Mutual Security Act of 1954," as amended, and "The Foreign Assistance Act (FAA) of 1961," as amended. Both the AECA and the FAA are amended by annual legislation usually entitled, "The International Security and Development Cooperation Act of (year)." Examples include Public Law 97-113 and 99-83. Other related legislation includes laws such as Public Law 100-461, "Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989," October 1, 1988, 102 Stat 2268

(b) DoD Instruction 7000.14, "DoD Financial Management Policy and Procedures," June 1992

(c) DoD Instruction 7290.3, "Foreign Military Sales Finance and Accounting," May 8, 1991 (canceled by this issuance)

(d) DoD 7110.1-M, "Department of Defense Budget Guidance Manual," May 1990, authorized by DoD Instruction 7110.1, "DoD Budget Guidance," October 30, 1980

(e) DoD 5105.38-M, "Security Assistance Management Manual," October 1988, authorized by DoD Directive 5105.38, "Defense Security Assistance Agency (DSAA)," August 10, 1978

(f) DoD Directive 7200.1, "Administrative Control of Appropriations," May 4, 1995

(g) Federal Acquisition Regulation (FAR), and Defense FAR Supplement (DFARS)

(h) DoD 8910.1-M, "DoD Procedures for Management of Information Requirements," June 1998

(i) Public Law 90-629, AECA [see reference (a)], as amended, 82 Stat 1323 (22 U.S.C. 2762)

(j) Public Law 97-255 "Federal Managers' Financial Integrity Act of 1982," September 8, 1982, as amended, 96 Stat 814 [31 U.S.C. 3512(b)]

(k) DoD Instruction 2140.4, "Collecting and Reporting of Foreign Indebtedness Within the Department of Defense," June 23, 1977 (canceled upon issuance of Volume 6, Chapter 12 of this Regulation)

(l) Department of the Treasury, Financial Manual for Guidance of Departments and Agencies, Volume I

(m) Chapter 104, "Interstate Commerce Act of 1887," February 4, 1887, as amended, 24 Stat 379 (49 U.S.C. 10721, 10761) and "The Elkins Act" (49 U.S.C. 11903)

- (n) Defense Appropriation Acts; For example, "The Department of Defense Appropriation Act of 1983," section 747; Public Law 96-29, "The DoD 1979 Supplemental Appropriation Authorization Act"; Public Law 96-107, "The FY 1980 DoD Appropriation Authorization Act"; Public Law 96-342, "Department of Defense Appropriations Act, 1981," 94 Stat 1077; and Public Law 101-165, "Department of Defense Appropriations Act, 1990," November 21, 1989, 103 Stat 1152 (22 U.S.C. 2761)
- (o) DoD Directive 4100.37, "Retention and Transfer of Materiel Assets," May 24, 1988
- (p) DoD 4160.21-M, "Defense Reutilization and Marketing Manual," August 1997
- (q) DoD Instruction 7310.1, "Disposition of Proceeds from DoD Sales of Personal Property," July 10, 1989
- (r) DoD Directive 2140.2, "Recoupment of Nonrecurring Costs (NC) on Sales of U.S. Items," January 13, 1993
- (s) Public Law 97-177, "Prompt Payment Act," May 21, 1982, as amended, 96 Stat 85 (31 U.S.C. 3901-3906)
- (t) DoD Directive 2000.8, "Cooperative Logistics Supply Support Arrangements," February 12, 1981
- (u) DoD 7420.13-R, "Stock Fund Operations," June 1986
- (v) DoD 1338.10-M, "Manual for the Department of Defense Food Service Program," November 1978
- (w) Joint Regulation DLAR 4140.60, AR 12-12, NAVMATINST 4355.72A, AFR 67-7 and MCO 4140.1C, "Processing Discrepancy Reports Against Foreign Military Sales Shipments," June 21, 1984
- (x) DoD 4000.25-7-M, "Military Standard Billing System (MILSBILLS)," January 1985
- (y) DoD Manual 5100.76, "Physical Security of Sensitive Conventional Arms, Ammunitions, and Explosives," September 1992
- (z) DoD Directive 5132.3, "DoD Policy and Responsibilities Relating to Security Assistance," March 10, 1981
- (aa) GAO Policy and Procedures Manual for Guidance of Federal Agencies Title 2--Accounting, Appendix II, Internal Control Standards
- (bb) DoD Directive 7045.13, "DoD Credit Management and Debt Collection Program," October 31, 1986

## CHAPTER 04

CASH MANAGEMENT0401 INTRODUCTION

**040101. Objectives.** The objective of this chapter is to set forth procedures which will assure that cash necessary to liquidate obligations resulting from the FMS program is available when the need for disbursement arises. FMS orders create contract authority. Funds appropriated by the Congress for defense purposes cannot be used to liquidate obligations resulting from the use of the contract authority. The cash requirements (outlay authority) of each FMS customer must be met by that customer.

**040102. Cash Management Characteristics**

A. FMS customer cash deposits into the FMS Trust Fund for defense articles and services sold under Sections 21 and 22 of the AECA shall be made in advance of delivery, performance, or progress payments to contractors except as provided in paragraph 040102.A.1. and 2. below. Such advance cash collections to the FMS Trust Fund must also be made from Foreign Military Financing (FMF) appropriations used to finance a sale or special emergency appropriations obtained to finance deliveries under FMS orders when billing upon delivery and payment within 120 days after the date of billing is considered in the national interest.

1. Payment after delivery of defense articles from stock or rendering of in-house defense services, as authorized by Section 21 of the AECA, requires a specific determination by the Director, DSAA, that delayed payment is in the national interest.

2. All cash disbursements for a foreign country or international organization shall be identified by FMS case and shall not exceed the customer's cash deposits. A specific case may be in a deficit cash position with the deficit being funded by the customer's cash

advances on other cases. However, the cash deposited by country "X" shall not be used to liquidate obligations incurred on behalf of country "Y." A reportable adverse financial condition exists when a single FMS customer level cash summary account is in a deficit position (a credit balance).

3. There are two exceptions to the provisions of subparagraph 2. above.

a. Customer Authorization to Use Cash for Third Party. When a customer has authorized the use of its excess cash deposits to meet the cash requirements of another country an adverse financial condition exists only if the cumulative cash balance of both countries is in a deficit position.

b. Customer or DSAA Direction to Disburse Cash on a Case Basis. When a customer or DSAA has directed that cash be used only to meet disbursement demand of specific cases, then an adverse financial condition exists for each such case that is in a deficit cash position.

4. An initial deposit shall accompany FMS cases to provide the cash advance required to cover disbursements from the time the case is accepted until the first billing due date. FMS bills are prepared on a quarterly basis in January, April, July, and October. The bill includes the cash requirements for the calendar quarter following the quarter in which the bill is mailed. For example, a bill prepared in January (December cutoff, payment due March 15) is to project cash requirements through June. Thus, the initial deposit for a case accepted in December would be the cash required through June, or six (6) months of advance cash requirements. Chapter 8 contains a full discussion of the FMS billing process.

B. The FMS Trust Fund corpus is managed as a single cash entity, as outlined in



subparagraph A above, regardless of the source of the deposits; however, all FMS Trust Fund deposits are accounted for at country and FMS case level by source of financing (MAP Merger, FMS Credit, Foreign Military Financing Credit, non-repayable, or customer national funds).

C. Since the United States Government finds it in its best interest to provide Security Assistance funds annually to selected friends and allies to finance the purchase of U.S. articles and services, it is therefore in the United States Government's interest to properly utilize and manage these limited funds as effectively as possible.

1. In determining the order of funds to be paid into the FMS Trust Fund, DSAA may draw down MAP Merger funds (while available), up to the amount reserved for each case, prior to requesting the FMS customer to draw down FMS credit funds or national funds. Likewise, MAP funds on deposit in the FMS Trust Fund will be accounted for as expended prior to FMS credit or national funds deposits, and credit funds will be considered expended before national funds.

2. Security Assistance funds (MAP Merger/FMS Credits/Foreign Military Financing grants or loans) that become excess due to FMS case reduction or closure may be reapplied to other FMS cases, with DSAA approval, but may not be refunded to the FMS customer.

3. An FMS customer country, with prior DSAA approval, may provide DSAA with a properly executed, separate FMS credit drawdown letter to cover uncollected termination liability for a billing quarter. In such event, it will be necessary to deposit into the FMS Trust Fund only the amount of funds needed to cover contractual progress payments and reimbursements to Implementing Agencies during the billing quarter.

D. The DSAA is authorized to enter into a national funds investment account agreement (Tripartite Agreement) with an FMS customer and the Federal Reserve Bank of New York (FRBNY) for any country which finances all

or a significant part of its FMS programs with national funds.

1. To be eligible, the customer's FMS program must be large enough that the total amount of advance cash deposits anticipated to remain in the FRBNY account will exceed the minimum amount required for investment in short-term, 3-6 month Treasury bills. FRBNY accounts will not normally be considered for a country which finances FMS programs primarily with U.S. Security Assistance funds.

2. Subsequent to the establishment of the investment account, the customer is directed to remit all national funds payments to the FRBNY, identified to specific FMS cases. (Note: payments made from U.S. Security Assistance funds normally will not be remitted to the FRBNY account, but will be made directly to the FMS Trust Fund (unless otherwise specified in U.S. law).

3. The SAAC is authorized by the account agreement to make periodic draw-downs, usually monthly, from the FRBNY account into the FMS Trust Fund as needed to provide at all times sufficient funds to make payments during the next thirty days.

#### **040103. Responsibilities**

A. Security Assistance Accounting Center (SAAC). The SAAC is responsible for:

1. Timely posting of customer cash deposits and disbursements thereof to FMS case accounting records.

2. Reconciling summary Trust Fund level cash account balances (balance per books) to the Department of Treasury balance (balance per bank).

3. Assuring that approved cash expenditure authorities do not exceed FMS customer cash balances.

4. Identifying developing cash flow problems and alerting OSD management and implementing agencies in a timely manner.

**B. Implementing Agencies.** The Implementing agency is responsible for:

★1. Preparing and updating case payment schedules. Payment schedules shall be updated annually on the anniversary of each major case and/or when the value of a case increases by 10 percent or more.

2. Systematically developing historical cost curves for DoD major weapon systems obtained through procurement, for use in preparing case payment schedules; and reviewing the curves periodically for validity.

3. Continually reviewing case level cash balances to assure that the payment schedule is accurate and cash is available to support any outlay requirements that may materialize for the case. This includes disbursements to reimburse DoD accounts for earned reimbursements and disbursements to contractors for billed costs, contract holdbacks and potential contract termination costs.

a. In the event payment schedules do not adequately meet the cash needs, promptly notifying SAAC of the necessity to bill and collect additional cash advances, and following up on this notification by issuing a revised payment schedule via an LOA modification.

b. In the event payment schedules overstate the cash needs, due to delays in contract award, delivery slippages, or other reasons, issuing a revised payment schedule via an LOA modification.

4. Ensuring receipt of expenditure authority prior to processing a disbursement citing the FMS trust Fund.

#### **0402 ESTIMATING CASH ADVANCE REQUIREMENTS**

##### **040201. Method for Calculating Requirements**

A. Calculation of Initial estimate. Calculation of the cash requirements for a specific FMS case requires that case costs be subdivided into two broad cost categories. The first category is the portion of case value to be provided under

authority of section 21 of the AECA, sales from DoD inventories and the services of DoD personnel. The second category is the portion of case value to be provided under authority of section 22 of the AECA, procurement of hardware or contractor services for the FMS customer. The cash advance for the portion of the case classified as a Section 21 sale shall include the estimated earned reimbursements to be realized by DoD appropriation/fund accounts during the three-month period subsequent to the payment due date of the billing statement issued by SAAC. The cash advance for the portion of the case classified as a Section 22 sale shall include estimated disbursements to contractors for contractor invoices and potential disbursements to contractors if additional cash deposits are not made by the customer in a timely manner or the case is unilaterally canceled by the customer. Potential disbursements to contractors include payment of contract holdbacks and termination costs which would result if work were stopped when the cash available to pay contractor invoices is exhausted. The time period covered by the estimate of advance cash required is the three-month period subsequent to the payment due date of the billing statement issued by SAAC.

**B. Initial Estimates of Cash Required in Support of Section 21 Effort.**

1. Sales from Inventory. Estimates of earned reimbursements for inventory items shall be on the basis that requisitioned items will be dropped from inventory within 30 days after a requisition for a stocked item is issued. The drop from inventory creates the earned reimbursement. Therefore, the applicable FMS case manager will develop this portion of estimated cash requirements based upon anticipated requisition release dates.

2. Sales of DoD Services. Estimates of earned reimbursement for DoD services provided directly to the FMS customer or in support of a Section 22 contract shall be based on the estimated portion of the services which will be provided in the applicable billing period. Services also include applicable administrative and accessorial surcharges.

3. Recoupment of Nonrecurring Charges. Charges for nonrecurring costs are

earned as items are physically delivered to the FMS customer. Therefore, the cash to be collected for these charges should be based upon item delivery schedules.

C. Initial Estimates of Cash Required in Support of Sections 22 and 29 Effort.

1. Cash advances required to support procurements for FMS customers shall be based upon normal administrative and procurement lead-times for the type of commodity being procured. Table 402-1 illustrates, in terms of percentage of contract costs, the total required cash advance necessary to support contracts for aircraft and related equipment; the percentages are a function of procurement lead-times. The Table also illustrates the amount of contract value which is being collected as a reserve for potential termination costs and contractor holdback.

a. Potential termination costs or "bailout" costs represent the liability DoD has to contractors in the event termination occurs. Generally, such costs include all accrued direct and indirect costs and profits and subcontracts not covered by progress payments to the contractor, plus any penalty contract termination charges that might be realized. Potential termination costs do not include price increases to other ongoing contracts resulting from reductions in procurement quantities.

b. Contractor holdback represents amounts earned by contractors or suppliers, but held back to ensure future performance. (Normally the result of progress payments authorized at less than 100 percent.)

c. In the absence of a procurement history for a particular system, or a similar system, or cost curves obtained from a prime contractor, Table 402-1 may be used. The percentages in Table 402-1 are for procurement lead-times ranging from 6 months to 60 months. This table may be used for the development of payment schedules included in the LOA. The percentage figures shown in Table 402-1 include all applicable costs, i.e., progress payment amounts, contractor holdback, and potential termination liability. The amount of the cumula-

tive monthly payment applicable to the termination liability and contractor holdback reserve is shown in the second column (% TL) for each procurement lead-time.

2. Table 402-2 illustrates the development of a payment schedule based upon Table 402-1 percentages for the bombs under example C of the DD Form 2061 illustrated in Table 202-3. The percentages in Table 402-1 are applied only to pricing element "CC" or the new procurement value of \$800,000.

a. The figures in Table 402-2 are based on an assumed procurement lead-time of 36 months. Although assumed for the purposes of illustration, in actual practice this lead-time must be furnished by the procuring activity.

b. For purposes of illustration, the table assumes that the Letter of Offer was signed at the end of the quarter after the billing cut-off date, e.g., December 20. The table further assumes an administrative lead-time of three months to go on contract, although it is recognized that many contracts will not be let until much later. Implementing agencies should insure that realistic contract administrative lead-times are used in preparing payment schedules.

c. The initial deposit to accompany the Letter of Offer must include 50 percent of the administrative surcharge expense and the cash advance required between LOA acceptance and the first payment due date. Since the LOA illustrated in Table 402-1 was signed after the billing cut-off date, the time period between acceptance and payment due date will approximate six months (e.g. for a December 20th acceptance, SAAC would not bill until April for a due date of June 15th). Because of the 3-month administrative lead-time, no contract cost will be incurred until April. The initial deposit, therefore, will be necessary only to cover the months of April, May, and June. The cumulative percentage of contract cost for this 3-month period is 1.1%. Applying this percentage to the contract cost yields an initial deposit of \$8,800-due upon acceptance.

d. The April billing would show \$21,600 (\$30,400 - \$8,800) as the amount due on June 15 to cover the months, July, August, and September; the July billing (June cut off) would show \$34,400 (\$64,800 - \$30,400) due on September 15 and so on. The payment schedule would reflect these due dates.

e. The amount of the initial deposit to be reserved for termination liability and contractor holdback is \$352. The amount of the first bill (\$21,600) to be reserved for termination liability and contractor holdback is \$8,768 (\$9,120 - \$352) and for the second bill \$13,560 (\$22,680 - \$9,120).

f. Table 402-3 displays this payment schedule example in the standard Termination Liability Worksheet format. Table 402-1 illustrates a payment schedule that includes Section 21 sales in addition to the procurement items.

**TABLE 402-1 CUMULATIVE MONTHLY PAYMENT SCHEDULE  
AND TERMINATION LIABILITY (TL) PERCENTAGES**  
(As a percentage of Contract Cost)

| Procurement<br>Lead Time | 6 Months                          |         | 9 Months                          |         | 12 Months                         |         | 15 Months                         |         | 18 Months                         |         | 21 Months                         |         |
|--------------------------|-----------------------------------|---------|-----------------------------------|---------|-----------------------------------|---------|-----------------------------------|---------|-----------------------------------|---------|-----------------------------------|---------|
|                          | Cumulative<br>Monthly<br>Payments | %<br>TL | Cumulative<br>Monthly<br>Payments | %<br>TL | Cumulative<br>Monthly<br>Payments | %<br>TL | Cumulative<br>Monthly<br>Payments | %<br>TL | Cumulative<br>Monthly<br>Payments | %<br>TL | Cumulative<br>Monthly<br>Payments | %<br>TL |
| 1                        | 5.7                               | 30      | 2.7                               | 14      | 1.5                               | 0       | 1.0                               | 0       | 0.7                               | 0       | 0.5                               | 0       |
| 2                        | 19.6                              | 35      | 8.2                               | 38      | 4.6                               | 30      | 3.0                               | 20      | 2.1                               | 14      | 1.5                               | 9       |
| 3                        | 44.8                              | 32      | 17.7                              | 35      | 9.4                               | 34      | 6.0                               | 40      | 4.2                               | 30      | 3.1                               | 23      |
| 4                        | 74.9                              | 18      | 32.4                              | 34      | 16.7                              | 35      | 10.2                              | 33      | 7.1                               | 38      | 5.2                               | 37      |
| 5                        | 95.2                              | 2       | 51.6                              | 29      | 26.8                              | 35      | 16.0                              | 35      | 10.8                              | 34      | 7.9                               | 36      |
| 6                        | 100.0                             | 0       | 71.9                              | 18      | 39.9                              | 32      | 23.7                              | 35      | 15.7                              | 35      | 11.3                              | 34      |
| 7                        |                                   |         | 88.4                              | 5       | 54.9                              | 27      | 33.4                              | 33      | 21.9                              | 35      | 15.5                              | 35      |
| 8                        |                                   |         | 97.2                              | 1       | 70.2                              | 18      | 44.8                              | 30      | 29.4                              | 34      | 20.7                              | 35      |
| 9                        |                                   |         | 100.0                             | 0       | 83.5                              | 7       | 57.2                              | 26      | 38.3                              | 32      | 26.9                              | 34      |
| 10                       |                                   |         |                                   |         | 92.8                              | 2       | 69.6                              | 18      | 48.1                              | 29      | 34.1                              | 33      |
| 11                       |                                   |         |                                   |         | 97.8                              | 0       | 80.8                              | 9       | 58.5                              | 24      | 42.1                              | 30      |
| 12                       |                                   |         |                                   |         | 100.0                             | 0       | 89.6                              | 3       | 68.7                              | 18      | 50.8                              | 28      |
| 13                       |                                   |         |                                   |         |                                   |         | 95.4                              | 1       | 78.2                              | 10      | 59.7                              | 24      |
| 14                       |                                   |         |                                   |         |                                   |         | 98.6                              | 0       | 86.1                              | 5       | 68.5                              | 18      |
| 15                       |                                   |         |                                   |         |                                   |         | 100.0                             | 0       | 92.2                              | 2       | 76.8                              | 11      |
| 16                       |                                   |         |                                   |         |                                   |         |                                   |         | 96.7                              | 1       | 84.0                              | 7       |
| 17                       |                                   |         |                                   |         |                                   |         |                                   |         | 98.7                              | 0       | 89.9                              | 3       |
| 18                       |                                   |         |                                   |         |                                   |         |                                   |         | 100.0                             | 0       | 94.3                              | 1       |
| 19                       |                                   |         |                                   |         |                                   |         |                                   |         |                                   |         | 97.3                              | 0       |
| 20                       |                                   |         |                                   |         |                                   |         |                                   |         |                                   |         | 99.2                              | 0       |
| 21                       |                                   |         |                                   |         |                                   |         |                                   |         |                                   |         | 100.0                             | 0       |

**TABLE 402-1 CUMULATIVE MONTHLY PAYMENT SCHEDULE AND TERMINATION  
LIABILITY (TL) PERCENTAGES (CONTINUED)**  
(As a percentage of Contract Cost)

| Procurement<br>Lead Time | 24 Months                         |         | 27 Months                         |         | 30 Months                         |         | 33 Months                         |         | 36 Months                         |         | 39 Months                         |         |
|--------------------------|-----------------------------------|---------|-----------------------------------|---------|-----------------------------------|---------|-----------------------------------|---------|-----------------------------------|---------|-----------------------------------|---------|
| Month                    | Cumulative<br>Monthly<br>Payments | %<br>TL | Cumulative<br>Monthly<br>Payments | %<br>TL | Cumulative<br>Monthly<br>Payments | %<br>TL | Cumulative<br>Monthly<br>Payments | %<br>TL | Cumulative<br>Monthly<br>Payments | %<br>TL | Cumulative<br>Monthly<br>Payments | %<br>TL |
| 1                        | 0.4                               | 0       | 0.3                               | 0       | 0.3                               | 0       | 0.2                               | 0       | 0.2                               | 0       | 0.2                               | 0       |
| 2                        | 1.2                               | 5       | 0.9                               | 2       | 0.8                               | 0       | 0.6                               | 0       | 0.5                               | 0       | 0.5                               | 0       |
| 3                        | 2.4                               | 18      | 1.8                               | 14      | 1.5                               | 10      | 1.2                               | 8       | 1.1                               | 4       | 1.0                               | 2       |
| 4                        | 4.0                               | 30      | 3.1                               | 24      | 2.6                               | 20      | 2.0                               | 17      | 1.8                               | 14      | 1.6                               | 10      |
| 5                        | 6.0                               | 39      | 4.7                               | 35      | 3.9                               | 30      | 3.1                               | 27      | 2.7                               | 24      | 2.4                               | 18      |
| 6                        | 8.5                               | 35      | 6.6                               | 38      | 5.4                               | 40      | 4.4                               | 38      | 3.8                               | 30      | 3.3                               | 26      |
| 7                        | 11.5                              | 34      | 8.9                               | 34      | 7.2                               | 37      | 5.9                               | 37      | 5.0                               | 39      | 4.4                               | 34      |
| 8                        | 15.2                              | 35      | 11.7                              | 34      | 9.4                               | 33      | 7.6                               | 35      | 6.5                               | 37      | 5.6                               | 39      |
| 9                        | 19.6                              | 35      | 15.0                              | 35      | 11.9                              | 34      | 9.6                               | 33      | 8.1                               | 35      | 7.0                               | 37      |
| 10                       | 24.8                              | 35      | 18.9                              | 35      | 14.9                              | 35      | 11.9                              | 34      | 10.0                              | 34      | 8.6                               | 35      |
| 11                       | 30.7                              | 33      | 23.4                              | 35      | 18.3                              | 35      | 14.6                              | 35      | 12.2                              | 34      | 10.4                              | 34      |
| 12                       | 37.4                              | 32      | 28.5                              | 34      | 22.2                              | 35      | 17.7                              | 35      | 14.7                              | 35      | 12.4                              | 34      |
| 13                       | 44.7                              | 29      | 34.2                              | 32      | 26.7                              | 34      | 21.2                              | 35      | 17.5                              | 35      | 14.7                              | 35      |
| 14                       | 52.4                              | 27      | 40.4                              | 31      | 31.6                              | 33      | 25.1                              | 34      | 20.6                              | 35      | 17.3                              | 35      |
| 15                       | 60.2                              | 22      | 47.0                              | 29      | 36.9                              | 31      | 29.4                              | 33      | 24.1                              | 35      | 20.1                              | 35      |
| 16                       | 67.9                              | 18      | 53.9                              | 27      | 42.7                              | 30      | 34.1                              | 32      | 27.9                              | 34      | 23.2                              | 35      |
| 17                       | 75.3                              | 12      | 60.9                              | 22      | 48.8                              | 28      | 39.2                              | 31      | 32.1                              | 33      | 26.6                              | 34      |
| 18                       | 81.8                              | 7       | 67.8                              | 18      | 55.0                              | 26      | 44.6                              | 29      | 36.6                              | 32      | 30.3                              | 33      |
| 19                       | 87.4                              | 4       | 74.4                              | 13      | 61.3                              | 22      | 50.2                              | 28      | 41.3                              | 30      | 34.3                              | 32      |
| 20                       | 91.9                              | 2       | 80.4                              | 8       | 67.5                              | 18      | 55.9                              | 25      | 46.3                              | 29      | 38.6                              | 32      |
| 21                       | 95.2                              | 1       | 85.7                              | 5       | 73.5                              | 13      | 61.6                              | 22      | 51.5                              | 27      | 43.1                              | 29      |
| 22                       | 97.5                              | 0       | 90.1                              | 2       | 79.0                              | 9       | 67.2                              | 18      | 56.7                              | 25      | 47.8                              | 28      |
| 23                       | 99.1                              | 0       | 93.6                              | 1       | 83.9                              | 6       | 72.6                              | 14      | 62.0                              | 22      | 52.6                              | 27      |
| 24                       | 100.0                             | 0       | 96.2                              | 1       | 88.2                              | 3       | 77.7                              | 10      | 67.2                              | 18      | 57.5                              | 24      |
| 25                       |                                   |         | 98.1                              | 0       | 91.7                              | 2       | 82.3                              | 7       | 72.2                              | 14      | 62.4                              | 21      |
| 26                       |                                   |         | 99.4                              | 0       | 94.5                              | 1       | 86.4                              | 4       | 76.9                              | 11      | 67.2                              | 18      |
| 27                       |                                   |         | 100.0                             | 0       | 96.6                              | 1       | 89.9                              | 2       | 81.3                              | 7       | 71.8                              | 14      |
| 28                       |                                   |         |                                   |         | 98.1                              | 0       | 92.8                              | 1       | 85.2                              | 5       | 76.2                              | 11      |
| 29                       |                                   |         |                                   |         | 99.3                              | 0       | 95.1                              | 1       | 88.6                              | 3       | 80.3                              | 9       |
| 30                       |                                   |         |                                   |         | 100.0                             | 0       | 96.9                              | 0       | 91.5                              | 2       | 84.0                              | 6       |
| 31                       |                                   |         |                                   |         |                                   |         | 98.2                              | 0       | 93.9                              | 1       | 87.3                              | 3       |
| 32                       |                                   |         |                                   |         |                                   |         | 99.2                              | 0       | 95.9                              | 1       | 90.2                              | 2       |
| 33                       |                                   |         |                                   |         |                                   |         | 100.0                             | 0       | 97.4                              | 0       | 92.7                              | 2       |
| 34                       |                                   |         |                                   |         |                                   |         |                                   |         | 98.5                              | 0       | 94.7                              | 1       |
| 35                       |                                   |         |                                   |         |                                   |         |                                   |         | 99.4                              | 0       | 96.3                              | 1       |
| 36                       |                                   |         |                                   |         |                                   |         |                                   |         | 100.0                             | 0       | 97.6                              | 0       |
| 37                       |                                   |         |                                   |         |                                   |         |                                   |         |                                   |         | 98.6                              | 0       |
| 38                       |                                   |         |                                   |         |                                   |         |                                   |         |                                   |         | 99.4                              | 0       |
| 39                       |                                   |         |                                   |         |                                   |         |                                   |         |                                   |         | 100                               | 0       |

**TABLE 402-1 CUMULATIVE MONTHLY PAYMENT SCHEDULE AND TERMINATION**  
**LIABILITY (TL) PERCENTAGES (CONTINUED)**  
 (As a percentage of Contract Cost)

| Procmt<br>Lead Time | 42 Months                         |         |  | 45 Months                         |         |  | 48 Months                         |         |  | 51 Months                         |         |  | 54 Months                         |         |  | 57 Months                         |         |  | 60 Months                         |         |  |
|---------------------|-----------------------------------|---------|--|-----------------------------------|---------|--|-----------------------------------|---------|--|-----------------------------------|---------|--|-----------------------------------|---------|--|-----------------------------------|---------|--|-----------------------------------|---------|--|
|                     | Cumulative<br>Monthly<br>Payments | %<br>TL |  | Cumulative<br>Monthly<br>Payments | %<br>TL |  | Cumulative<br>Monthly<br>Payments | %<br>TL |  | Cumulative<br>Monthly<br>Payments | %<br>TL |  | Cumulative<br>Monthly<br>Payments | %<br>TL |  | Cumulative<br>Monthly<br>Payments | %<br>TL |  | Cumulative<br>Monthly<br>Payments | %<br>TL |  |
| 1                   | 0.1                               | 0       |  | 0.1                               | 0       |  | 0.1                               | 0       |  | 0.1                               | 0       |  | 0.1                               | 0       |  | 0.1                               | 0       |  | 0.1                               | 0       |  |
| 2                   | 0.4                               | 0       |  | 0.3                               | 0       |  | 0.3                               | 0       |  | 0.3                               | 0       |  | 0.2                               | 0       |  | 0.2                               | 0       |  | 0.2                               | 0       |  |
| 3                   | 0.8                               | 2       |  | 0.6                               | 0       |  | 0.6                               | 0       |  | 0.6                               | 0       |  | 0.5                               | 0       |  | 0.4                               | 0       |  | 0.4                               | 0       |  |
| 4                   | 1.3                               | 8       |  | 1.1                               | 6       |  | 1.0                               | 5       |  | 0.9                               | 4       |  | 0.8                               | 2       |  | 0.7                               | 1       |  | 0.6                               | 0       |  |
| 5                   | 2.0                               | 16      |  | 1.7                               | 12      |  | 1.5                               | 10      |  | 1.3                               | 9       |  | 1.2                               | 8       |  | 1.1                               | 6       |  | 1.0                               | 3       |  |
| 6                   | 2.8                               | 23      |  | 2.4                               | 20      |  | 2.1                               | 18      |  | 1.8                               | 15      |  | 1.7                               | 14      |  | 1.5                               | 12      |  | 1.4                               | 10      |  |
| 7                   | 3.8                               | 30      |  | 3.2                               | 26      |  | 2.8                               | 24      |  | 2.4                               | 22      |  | 2.3                               | 20      |  | 2.0                               | 17      |  | 1.8                               | 15      |  |
| 8                   | 4.8                               | 38      |  | 4.1                               | 32      |  | 3.7                               | 30      |  | 3.1                               | 27      |  | 2.9                               | 24      |  | 2.6                               | 22      |  | 2.3                               | 20      |  |
| 9                   | 6.0                               | 38      |  | 5.1                               | 40      |  | 4.6                               | 36      |  | 3.9                               | 32      |  | 3.6                               | 30      |  | 3.2                               | 27      |  | 2.9                               | 25      |  |
| 10                  | 7.3                               | 36      |  | 6.3                               | 38      |  | 5.6                               | 39      |  | 4.8                               | 39      |  | 4.4                               | 35      |  | 3.9                               | 33      |  | 3.6                               | 30      |  |
| 11                  | 8.8                               | 34      |  | 7.6                               | 36      |  | 6.7                               | 37      |  | 5.8                               | 38      |  | 5.3                               | 40      |  | 4.7                               | 38      |  | 4.3                               | 35      |  |
| 12                  | 10.5                              | 34      |  | 9.0                               | 33      |  | 8.0                               | 35      |  | 6.9                               | 36      |  | 6.3                               | 38      |  | 5.6                               | 39      |  | 5.1                               | 40      |  |
| 13                  | 12.4                              | 34      |  | 10.6                              | 34      |  | 9.4                               | 33      |  | 8.1                               | 35      |  | 7.3                               | 36      |  | 6.6                               | 37      |  | 5.9                               | 38      |  |
| 14                  | 14.5                              | 35      |  | 12.4                              | 34      |  | 10.9                              | 34      |  | 9.4                               | 33      |  | 8.5                               | 34      |  | 7.6                               | 35      |  | 6.9                               | 36      |  |
| 15                  | 16.9                              | 35      |  | 14.2                              | 35      |  | 12.6                              | 34      |  | 10.8                              | 34      |  | 8.7                               | 33      |  | 8.7                               | 33      |  | 7.9                               | 35      |  |
| 16                  | 19.5                              | 35      |  | 16.6                              | 35      |  | 14.4                              | 35      |  | 12.3                              | 34      |  | 11.2                              | 34      |  | 9.9                               | 33      |  | 9.0                               | 33      |  |
| 17                  | 22.3                              | 35      |  | 19.0                              | 35      |  | 16.5                              | 35      |  | 14.0                              | 35      |  | 12.7                              | 34      |  | 10.2                              | 34      |  | 10.1                              | 33      |  |
| 18                  | 25.5                              | 34      |  | 21.6                              | 35      |  | 18.7                              | 35      |  | 15.8                              | 35      |  | 14.3                              | 35      |  | 12.6                              | 34      |  | 11.4                              | 34      |  |
| 19                  | 28.8                              | 34      |  | 24.4                              | 34      |  | 21.1                              | 35      |  | 17.8                              | 35      |  | 16.1                              | 35      |  | 14.2                              | 35      |  | 12.8                              | 35      |  |
| 20                  | 32.5                              | 33      |  | 27.5                              | 34      |  | 23.7                              | 35      |  | 19.9                              | 35      |  | 18.1                              | 35      |  | 15.9                              | 35      |  | 14.3                              | 35      |  |
| 21                  | 36.3                              | 32      |  | 30.8                              | 33      |  | 26.5                              | 34      |  | 22.2                              | 35      |  | 20.2                              | 35      |  | 17.7                              | 35      |  | 15.9                              | 35      |  |
| 22                  | 40.4                              | 30      |  | 34.3                              | 32      |  | 29.6                              | 33      |  | 24.7                              | 34      |  | 22.4                              | 35      |  | 19.7                              | 35      |  | 17.6                              | 35      |  |
| 23                  | 44.6                              | 29      |  | 38.0                              | 31      |  | 32.8                              | 33      |  | 27.3                              | 33      |  | 24.8                              | 35      |  | 21.8                              | 35      |  | 19.4                              | 35      |  |
| 24                  | 49.0                              | 28      |  | 41.9                              | 30      |  | 36.1                              | 32      |  | 30.1                              | 33      |  | 27.4                              | 34      |  | 24.0                              | 34      |  | 21.4                              | 35      |  |
| 25                  | 53.5                              | 26      |  | 45.9                              | 28      |  | 39.7                              | 31      |  | 33.1                              | 32      |  | 30.1                              | 33      |  | 26.4                              | 34      |  | 23.5                              | 35      |  |
| 26                  | 58.0                              | 23      |  | 50.0                              | 27      |  | 43.4                              | 30      |  | 36.2                              | 31      |  | 33.0                              | 32      |  | 28.9                              | 33      |  | 25.7                              | 34      |  |
| 27                  | 62.5                              | 22      |  | 54.2                              | 26      |  | 47.2                              | 28      |  | 39.5                              | 30      |  | 36.0                              | 32      |  | 31.6                              | 33      |  | 28.1                              | 33      |  |
| 28                  | 66.9                              | 18      |  | 58.4                              | 24      |  | 51.0                              | 27      |  | 42.9                              | 29      |  | 39.1                              | 31      |  | 34.4                              | 32      |  | 30.6                              | 33      |  |
| 29                  | 71.2                              | 14      |  | 62.6                              | 22      |  | 55.0                              | 26      |  | 46.4                              | 28      |  | 42.4                              | 30      |  | 37.3                              | 32      |  | 33.2                              | 32      |  |
| 30                  | 75.4                              | 11      |  | 66.7                              | 18      |  | 58.9                              | 23      |  | 50.6                              | 27      |  | 45.7                              | 20      |  | 40.3                              | 31      |  | 35.9                              | 31      |  |

**TABLE 402-1 CUMULATIVE MONTHLY PAYMENT SCHEDULE AND TERMINATION**  
**LIABILITY (TL) PERCENTAGES (CONTINUED)**  
 (As a percentage of Contract Cost)

| Procmt<br>Lead Time<br>Month | 42 Months                         |         |  | 45 Months                         |         |  | 48 Months                         |         |  | 51 Months                         |         |  | 54 Months                         |         |  | 57 Months                         |         |  | 60 Months                         |         |  |
|------------------------------|-----------------------------------|---------|--|-----------------------------------|---------|--|-----------------------------------|---------|--|-----------------------------------|---------|--|-----------------------------------|---------|--|-----------------------------------|---------|--|-----------------------------------|---------|--|
|                              | Cumulative<br>Monthly<br>Payments | %<br>TL |  | Cumulative<br>Monthly<br>Payments | %<br>TL |  | Cumulative<br>Monthly<br>Payments | %<br>TL |  | Cumulative<br>Monthly<br>Payments | %<br>TL |  | Cumulative<br>Monthly<br>Payments | %<br>TL |  | Cumulative<br>Monthly<br>Payments | %<br>TL |  | Cumulative<br>Monthly<br>Payments | %<br>TL |  |
| 31                           | 79.2                              | 9       |  | 70.7                              | 15      |  | 62.9                              | 20      |  | 53.6                              | 26      |  | 49.1                              | 23      |  | 43.4                              | 29      |  | 38.7                              | 31      |  |
| 32                           | 82.8                              | 6       |  | 74.6                              | 12      |  | 66.7                              | 18      |  | 57.2                              | 23      |  | 52.6                              | 27      |  | 46.6                              | 28      |  | 41.6                              | 30      |  |
| 33                           | 86.1                              | 4       |  | 78.3                              | 9       |  | 70.5                              | 15      |  | 60.9                              | 20      |  | 56.1                              | 26      |  | 49.9                              | 27      |  | 44.6                              | 29      |  |
| 34                           | 88.9                              | 3       |  | 81.7                              | 6       |  | 74.2                              | 13      |  | 64.5                              | 18      |  | 59.6                              | 22      |  | 53.2                              | 26      |  | 47.6                              | 28      |  |
| 35                           | 91.4                              | 2       |  | 84.8                              | 4       |  | 77.7                              | 9       |  | 68.1                              | 15      |  | 63.1                              | 20      |  | 56.5                              | 24      |  | 50.7                              | 27      |  |
| 36                           | 93.5                              | 1       |  | 87.6                              | 3       |  | 80.9                              | 7       |  | 71.6                              | 13      |  | 66.6                              | 18      |  | 59.8                              | 22      |  | 53.9                              | 26      |  |
| 37                           | 95.3                              | 1       |  | 90.1                              | 2       |  | 84.0                              | 6       |  | 75.0                              | 10      |  | 70.0                              | 15      |  | 63.1                              | 20      |  | 57.0                              | 24      |  |
| 38                           | 96.7                              | 1       |  | 92.2                              | 2       |  | 86.7                              | 4       |  | 78.2                              | 8       |  | 73.3                              | 13      |  | 66.4                              | 18      |  | 60.2                              | 22      |  |
| 39                           | 97.8                              | 0       |  | 94.0                              | 1       |  | 89.2                              | 3       |  | 81.2                              | 6       |  | 76.4                              | 10      |  | 69.6                              | 16      |  | 63.4                              | 20      |  |
| 40                           | 98.8                              | 0       |  | 95.5                              | 1       |  | 91.3                              | 2       |  | 84.0                              | 4       |  | 79.4                              | 8       |  | 72.7                              | 13      |  | 66.5                              | 18      |  |
| 41                           | 99.5                              | 0       |  | 96.8                              | 1       |  | 93.2                              | 2       |  | 86.6                              | 3       |  | 82.2                              | 6       |  | 75.7                              | 10      |  | 69.5                              | 16      |  |
| 42                           | 100.0                             | 0       |  | 97.8                              | 0       |  | 94.8                              | 1       |  | 88.9                              | 2       |  | 84.8                              | 5       |  | 78.6                              | 9       |  | 72.5                              | 13      |  |
| 43                           |                                   |         |  | 98.6                              | 0       |  | 96.2                              | 1       |  | 91.0                              | 2       |  | 87.2                              | 3       |  | 81.3                              | 7       |  | 75.4                              | 11      |  |
| 44                           |                                   |         |  | 99.3                              | 0       |  | 97.3                              | 1       |  | 92.8                              | 1       |  | 89.4                              | 2       |  | 83.8                              | 6       |  | 78.1                              | 9       |  |
| 45                           |                                   |         |  | 100.0                             | 0       |  | 98.2                              | 0       |  | 94.4                              | 1       |  | 91.3                              | 2       |  | 86.1                              | 4       |  | 80.7                              | 7       |  |
| 46                           |                                   |         |  |                                   |         |  | 98.9                              | 0       |  | 95.8                              | 1       |  | 93.0                              | 1       |  | 88.2                              | 3       |  | 83.2                              | 6       |  |
| 47                           |                                   |         |  |                                   |         |  | 99.6                              | 0       |  | 97.0                              | 0       |  | 94.4                              | 1       |  | 90.1                              | 2       |  | 85.5                              | 4       |  |
| 48                           |                                   |         |  |                                   |         |  | 100.0                             | 0       |  | 98.0                              | 0       |  | 95.7                              | 1       |  | 91.8                              | 2       |  | 87.6                              | 3       |  |
| 49                           |                                   |         |  |                                   |         |  |                                   |         |  | 98.8                              | 0       |  | 96.8                              | 1       |  | 93.3                              | 1       |  | 89.5                              | 2       |  |
| 50                           |                                   |         |  |                                   |         |  |                                   |         |  | 99.5                              | 0       |  | 97.7                              | 0       |  | 94.6                              | 1       |  | 91.2                              | 2       |  |
| 51                           |                                   |         |  |                                   |         |  |                                   |         |  | 100.0                             | 0       |  | 98.4                              | 0       |  | 95.7                              | 1       |  | 92.8                              | 1       |  |
| 52                           |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  | 99.1                              | 0       |  | 96.7                              | 0       |  | 94.1                              | 1       |  |
| 53                           |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  | 99.6                              | 0       |  | 97.5                              | 0       |  | 95.3                              | 1       |  |
| 54                           |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  | 100.0                             | 0       |  | 98.2                              | 0       |  | 96.3                              | 1       |  |
| 55                           |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  | 98.8                              | 0       |  | 97.2                              | 0       |  |
| 56                           |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  | 99.3                              | 0       |  | 98.0                              | 0       |  |
| 57                           |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  | 100.0                             | 0       |  | 98.6                              | 0       |  |
| 58                           |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  | 99.2                              | 0       |  |
| 59                           |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  | 99.6                              | 0       |  |
| 60                           |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  |                                   |         |  | 100.0                             | 0       |  |



**TABLE 402-2 ILLUSTRATION ON USE OF PERCENTAGES TO ESTIMATE  
CASH ADVANCE REQUIREMENTS**

(Contract Cost of \$800,000 LOA Accepted 12/20/84)<sup>4</sup>

| Month                             | Gross % | Amount of<br>Contract Cost | TL % | TL<br>Dollars | Payment Schedule <sup>3</sup> |            |
|-----------------------------------|---------|----------------------------|------|---------------|-------------------------------|------------|
|                                   |         |                            |      |               | Current<br>Quarter            | Cumulative |
| Dec 1984 (Intl Dep) <sup>40</sup> |         | 0                          | 0    | 0             | 8,800                         | 8,800      |
| Jan 1985 <sup>1</sup>             | 0       | 0                          | 0    | 0             | 0                             | 0          |
| Feb 1985 <sup>1</sup>             | 0       | 0                          | 0    | 0             | 0                             | 0          |
| Mar 1985 <sup>1</sup>             | 0       | 0                          | 0    | 0             | 0                             | 0          |
| Apr 1985 <sup>2</sup>             | .2      | 1,600                      | 0    | 0             | 0                             | 0          |
| May 1985                          | .5      | 4,000                      | 0    | 0             | 0                             | 0          |
| Jun 1985                          | 1.1     | 8,800                      | 4    | 352           | 21,600                        | 30,400     |
| Jul 1985                          | 1.8     | 14,400                     | 14   | 2,016         | 0                             | 0          |
| Aug 1985                          | 2.7     | 21,600                     | 24   | 5,184         | 0                             | 0          |
| Sep 1985                          | 3.8     | 30,400                     | 30   | 9,120         | 34,400                        | 64,800     |
| Oct 1985                          | 5.0     | 40,000                     | 39   | 15,600        | 0                             | 0          |
| Nov 1985                          | 6.5     | 52,000                     | 37   | 19,240        | 0                             | 0          |
| Dec 1985                          | 8.1     | 64,800                     | 35   | 22,680        | 52,800                        | 117,600    |
| Jan 1986                          | 10.0    | 80,000                     | 34   | 27,200        | 0                             | 0          |
| Feb 1986                          | 12.2    | 97,600                     | 34   | 33,184        | 0                             | 0          |
| Mar 1986                          | 14.7    | 117,600                    | 35   | 41,160        | 75,200                        | 192,800    |
| Apr 1986                          | 17.5    | 140,000                    | 35   | 49,000        | 0                             | 0          |
| May 1986                          | 20.6    | 164,800                    | 35   | 57,680        | 0                             | 0          |
| Jun 1986                          | 24.1    | 192,800                    | 35   | 67,480        | 100,000                       | 292,800    |
| Jul 1986                          | 27.9    | 223,800                    | 34   | 75,888        | 0                             | 0          |
| Aug 1986                          | 32.1    | 256,800                    | 33   | 84,744        | 0                             | 0          |
| Sep 1986                          | 36.6    | 292,800                    | 32   | 93,696        | 119,200                       | 412,000    |
| Oct 1986                          | 41.3    | 330,400                    | 30   | 99,120        | 0                             | 0          |
| Nov 1986                          | 46.3    | 370,400                    | 29   | 107,416       | 0                             | 0          |
| Dec 1986                          | 51.5    | 412,000                    | 27   | 111,240       | 125,600                       | 537,600    |
| Jan 1987                          | 56.7    | 453,600                    | 25   | 113,400       | 0                             | 0          |
| Feb 1987                          | 62.0    | 496,000                    | 22   | 109,120       | 0                             | 0          |
| Mar 1987                          | 67.2    | 537,600                    | 18   | 96,768        | 112,800                       | 650,400    |
| Apr 1987                          | 72.2    | 577,600                    | 14   | 80,864        | 0                             | 0          |
| May 1987                          | 76.9    | 615,200                    | 11   | 67,672        | 0                             | 0          |
| Jun 1987                          | 81.3    | 650,400                    | 7    | 45,528        | 81,600                        | 732,000    |
| Jul 1987                          | 85.2    | 681,600                    | 5    | 34,080        | 0                             | 0          |
| Aug 1987                          | 88.6    | 708,800                    | 3    | 21,264        | 0                             | 0          |
| Sep 1987                          | 81.5    | 732,000                    | 2    | 14,640        | 47,200                        | 779,200    |
| Oct 1987                          | 93.9    | 751,200                    | 1    | 7,513         | 0                             | 0          |
| Nov 1987                          | 95.9    | 767,200                    | 1    | 7,672         | 0                             | 0          |
| Dec 1987                          | 97.4    | 779,200                    | 0    | 0             | 20,800                        | 800,000    |
| Jan 1988                          | 98.5    | 788,000                    | 0    | 0             | 0                             | 0          |
| Feb 1988                          | 99.4    | 795,200                    | 0    | 0             | 0                             | 0          |
| Mar 1988                          | 100.0   | 800,000                    | 0    | 0             | 0                             | 800,000    |

<sup>1</sup>Administrative lead-time.

<sup>2</sup>Start of 36 months' procurement lead-time.

<sup>3</sup>Date payment due at SAAC.

<sup>4</sup>The Administrative Surcharge, 50% initial drawdown will be additive to the cash advance requirements illustrated here.

**TABLE 402-3 ILLUSTRATION OF TABLE 401-2 PAYMENT SCHEDULE  
IN TERMINATION LIABILITY WORKSHEET FORMAT**

Contract Cost of \$800,000 LOA Accepted 12/20/84  
(No Sec 21 Sales in LOA)

| <u>Date</u> | <u>Total Payment</u> |                   | <u>Estimated Disbursements</u> |                   | <u>Termination Liability/<br/>Contractor Holdback</u> |                   |
|-------------|----------------------|-------------------|--------------------------------|-------------------|---|-------------------|
|             | <u>Qtr</u><br>(a)    | <u>Cum</u><br>(b) | <u>Qtr</u><br>(c)              | <u>Cum</u><br>(d) | <u>Qtr</u><br>(e)                                     | <u>Cum</u><br>(f) |
| Initial     |                      |                   |                                |                   |   |                   |
| Deposit     | 8,800                | 8,800             | 8,448                          | 8,448             | 352   | 352               |
| 15 Jun 85   | 21,600               | 30,400            | 12,832                         | 21,280            | 8,768   | 9,120             |
| 15 Sep 85   | 34,400               | 64,800            | 20,840                         | 42,120            | 13,560  | 22,680            |
| 15 Dec 85   | 52,800               | 117,600           | 34,320                         | 76,440            | 18,480  | 41,160            |
| 15 Mar 86   | 75,200               | 192,800           | 48,880                         | 125,320           | 26,320  | 67,480            |
| 15 Jun 86   | 100,000              | 292,800           | 73,784                         | 199,104           | 26,216  | 93,696            |
| 15 Sep 86   | 119,200              | 412,000           | 101,656                        | 300,760           | 17,544  | 111,240           |
| 15 Dec 86   | 125,600              | 537,600           | 140,072                        | 440,832           | (14,472)  | 96,768            |
| 15 Mar 87   | 112,800              | 650,400           | 164,040                        | 604,872           | (51,240)  | 45,528            |
| 15 Jun 87   | 81,600               | 732,000           | 112,488                        | 717,360           | (30,888)  | 14,640            |
| 15 Sep 87   | 47,200               | 779,200           | 61,840                         | 779,200           | (14,640)  | 0                 |
| 15 Dec 87   | 20,800               | 800,000           | 20,800                         | 800,000           | 0   | 0                 |

Notes:

1. Columns a and b should be identical to payment schedule in the LOA.
2. Column a = c+e.
3. Column b = d+f.
4. At end of schedule, column b = column d; column f must be zero.
5. This analysis of TL must be performed for all contracts regardless of value and must be part of a case file but need not be submitted to DSAA unless case value is over 7 million dollars. (See SAMM, Chapter 7 [reference (e)] for guidance regarding submission of Termination Liability Worksheets).

**TABLE 402-4 ILLUSTRATION OF TABLE 401-2 PAYMENT SCHEDULE IN  
TERMINATION LIABILITY WORKSHEET FORMAT**  
Contract Cost of \$800,000 Plus Sec 21 Sales of \$240,000 LOA Accepted 12/20/84

| <u>Date</u> | <u>Total Payment</u> |                   | <u>Estimated Disbursements</u> |                   | <u>Termination Liability/<br/>Contractor Holdback</u> |                   |
|-------------|----------------------|-------------------|--------------------------------|-------------------|---|-------------------|
|             | <u>Qtr</u><br>(a)    | <u>Cum</u><br>(b) | <u>Qtr</u><br>(c)              | <u>Cum</u><br>(d) | <u>Qtr</u><br>(e)                                     | <u>Cum</u><br>(f) |
| Initial     |                      |                   |                                |                   |   |                   |
| Deposit     | 28,800               | 28,800            | 28,448                         | 28,448            | 352   | 352               |
| 15 Jun 85   | 41,600               | 70,400            | 32,832                         | 61,280            | 8,768   | 9,120             |
| 15 Sep 85   | 54,400               | 124,800           | 40,840                         | 102,120           | 13,560  | 22,680            |
| 15 Dec 85   | 72,800               | 197,600           | 54,320                         | 156,440           | 18,480  | 41,160            |
| 15 Mar 86   | 95,200               | 292,800           | 68,880                         | 225,320           | 26,320  | 67,480            |
| 15 Jun 86   | 120,000              | 412,800           | 93,784                         | 319,104           | 26,216  | 93,696            |
| 15 Sep 86   | 139,200              | 552,000           | 121,656                        | 440,760           | 17,544  | 111,240           |
| 15 Dec 86   | 145,600              | 697,600           | 160,072                        | 600,832           | (14,472)  | 96,768            |
| 15 Mar 87   | 132,800              | 830,000           | 184,040                        | 784,872           | (51,240)  | 45,528            |
| 15 Jun 87   | 91,600               | 922,000           | 122,488                        | 907,360           | (30,888)  | 14,640            |
| 15 Sep 87   | 77,200               | 999,200           | 91,840                         | 999,200           | (14,640)  | 0                 |
| 15 Dec 87   | 40,800               | 1,040,000         | 40,800                         | 1,040,000         | 0   | 0                 |

Notes:

1. Columns a and b should be identical to payment schedule in the LOA.
2. Column a = c+e.
3. Column b = d+f.
4. At end of schedule, column b = column d; column f must be zero.
5. Reserves are the same as Table 402-3 schedule; however, total payment and estimated disbursements are greater due to Sec 21 articles/services in case.
6. This example only requires an initial deposit for one quarter (reference paragraph 040302 of this Volume).

**0403 PAYMENT SCHEDULES**

**040301. Policy.** It is DoD policy that FMS purchasers be requested to pay amounts reflected in LOA payment schedules--except in those instances where potential cash disbursements are anticipated to exceed the current payment schedule. Assurance that cash is available when the necessity for disbursement arises requires that implementing DoD Components continually monitor case level cash advances and validate the accuracy of payment schedules.

**040302. General.** Payment schedules are a consolidated formal presentation to the FMS customer of the estimates of cash requirements resulting from application of the procedures contained in Section 402. If initial deposits are required upon acceptance of a sales agreement, the amount of initial deposits should be equal to one half of the administrative surcharge plus sufficient funds to cover all costs and contingencies (e.g., contract holdback, potential termination liability) anticipated to be incurred until the first billing statement can be rendered and monies collected. As a standard, new sales agreements can enter the billing system at the SAAC through the 10th day of the last month of the calendar quarter. Therefore, if a new agreement is anticipated to be accepted by the purchaser and received by the SAAC after the 10th day of the last month of the quarter, then the DoD Component should require an initial deposit for the first two calendar quarters of the agreement.

**040303. LOA Payments**

A. LOA Payment requirements will be included in each LOA in the format required by the SAMM [reference (e)]. The payment schedule portion of the LOA should be reissued via a modification when costs are expected to vary more than \$500,000 during any 12-month period covered by the payment schedule. Smaller thresholds should be established where total case value warrants.

B. Termination Liability Worksheets will be furnished to DSAA in accordance with the SAMM [reference (e)]. DSAA will retain one

copy and forward one copy to the SAAC. SAAC will record the amount of termination liability specified on the worksheets.

**040304. Preparation.** Any revision to the LOA payment schedule shall be prepared in the manner prescribed in this Volume.

A. It is essential that payment schedule revisions be prepared in such a manner that they are consistent with the parameters of the FMS billing cycle and their contents are clearly understood by the implementing agency, SAAC, and the FMS customer. Since the payment schedule is used by SAAC as the basis for billing the FMS purchaser, there must be an "audit trail" between the original payment schedule and any revision(s).

B. The payment dates shown on the revised payment schedule must be compatible with the FMS billing cycle. The following guidance is applicable:

| Anticipated expiration/implementation date | Earliest payment date shown in payment schedule | For costs to be incurred in |
|--|---|-----------------------------|
| 11 Mar-10 Jun                              | 15 Sep  | Oct-Dec                     |
| 11 Jun-10 Sep                              | 15 Dec  | Jan-Mar                     |
| 11 Sep-10 Dec                              | 15 Mar  | Apr-Jun                     |
| 11 Dec-10 Mar                              | 15 Jun  | Jul-Sep                     |

On an emergency basis, a revised payment schedule may be provided to SAAC by message or the committed values for requisition cases report (see paragraphs 040308 and 080102). However, this means of notification should be used only if a properly executed modification cannot reach SAAC within the above timeframes. Message notification must be immediately followed by a payment schedule modification.

C. In as much as payment schedules are intended to reflect "financial requirements" (which in turn relate to Column 12, Total Financial Requirements, of the DD Form 645), cumulative collections/actual payments received from the FMS purchaser (as reflected in Column 13 of

the DD Form 645) should not be used in the preparation of revised payment schedules. This caveat is especially pertinent since the FMS purchaser may over or under pay its financial requirements for a given FMS case. In the process of preparing the revised payment schedule, the following guidelines regarding specific entries are applicable (refer to the illustration in Table 403-2):

1. The "Cumulative to Date (with date specified)" entry is mandatory and must correspond with the original payment schedule in the absence of a prior revision; otherwise, the "Cumulative to Date" entry should correspond to the last revision. This entry ensures that all concerned (i.e., implementing agency, SAAC, FMS customer) have a clear understanding of the relationship between the original and revised payment schedules.

2. In the event the implementing agency desires to decrease the existing total financial requirements of the FMS case, the "Revised Cumulative to Date" entry is used. This entry will adjust the amount reflected in Column 12 (Total Financial Requirements) of the DD Form 645.

3. If an "Initial Deposit" is appropriate, such as in the instance of an amendment which increases the number of items being sold, this entry should also be shown.

4. The remaining payment date entries and associated quarterly and cumulative amounts are shown, as necessary. The implementing agency should ensure that these final entries correspond to the revised total case value (i.e., Block 13 of amendments and modifications).

**040305. Forecasting Procedures.** Exceptional forecasting procedures will be used for requisition cases (i.e., Supply Support Arrangement, FMSO II, and other repair parts cases). Experience has shown that most payment schedules for these cases tend to be overstated because of variations in both requisitioning and supply actions. Therefore, to preclude substantial over-billing, each implementing agency shall provide the SAAC with a "Quarterly Forecast of Financial Requirements for In-Process Cases" report and

cards (or card images). These inputs are submitted to the SAAC by the 15th day of the last month of each calendar quarter (i.e., March 15, June 15, September 15, and December 15), and reflect the most recent status of logistical commitments (on-hand unfilled requisitions). If there are no unfilled orders on the requisition case, the implementing agency should report "zero" commitment value-- a report should be submitted for all requisition cases. See Table 403-1 for instructions for preparing the FICS "BK" transaction used for the report.

**040306. Committed Values.** The committed (unfilled order) values for requisition cases is compared by the SAAC to the case payment schedule quarterly amounts. If the committed value for the case is less than the quarterly amount from the payment schedule, the committed value is used for the forecasted requirement in Column 11 of the DD Form 645 in lieu of the payment schedule amount.

**040307. Accurate Payment Schedules.** This procedure does not preclude the requirement for an accurate payment schedule to be included in the LOA for a requisition type case. If an out-of-balance condition continues to exist between quarterly payment schedule amounts and the committed value provided each quarter, a new payment schedule should be issued by the implementing agency.

**040308. Delivery Status.** It is a requirement that the financial and delivery status of each FMS case be reviewed periodically by the implementing agency. This review is to ascertain whether the payment schedule will provide sufficient cash to meet the requirements established in paragraph 040102 of this Volume. If not, it shall be necessary to provide SAAC a quarterly forecast of fund requirements that contains the case level data normally required as back-up to the payment schedule.

**040309. Revising Case Payment Schedules.** Implementing agencies will establish formal procedures for the review and revision of FMS case payment schedules as follows:

A. The payment schedule should be evaluated each time an amendment or modification is issued that affects case or line values.

B. Payment schedules for cases with performance extending beyond two years should be reviewed as indicated below:

| <u>Total Case Value</u>    | <u>Review Frequency</u> |
|----------------------------|-------------------------|
| 1. \$100 million or less   | Annually                |
| 2. \$100-\$500 million     | Semi-annually           |
| 3. \$500 million and above | Quarterly               |

C. If the review discloses that actual disbursements and payables (see Table 402-2 column "Amount of Contract Cost") vary from estimated disbursements by more than 10%, implementing agencies should give priority to revising applicable payment schedules.

**TABLE 403-1 INSTRUCTIONS FOR PREPARING "BK" TRANSACTIONS, QUARTERLY FORECAST  
OF FINANCIAL REQUIREMENTS FOR IN-PROCESS CASES**

| Data Element Description<br>and Element Abbreviation | Format/<br>No. of<br>Position | FICS<br>TRC | Edit/Validations of:<br>BKI Input--MILDEP to SAAC<br>BKF Feedback--SAAC to MILDEP   |
|--|-------------------------------|-------------|---|
| Document Identifier Code<br>(DIC)                    | X(3)                          |             |   |
| Case Budgetary Require-<br>ments (Input)             | '1-3                          | '002        | Originator to recipient; must be BKI if not,<br>reject.   |
| Case Budgetary Require-<br>ments (Feedback)          | '1-3                          |             | "BKF" - a machine generated duplicate of the<br>BKI transaction appended by the Positive<br>Transaction Control (PTC)                           |
| Transaction Control No.<br>(YYMMDDNNNNNV)            | X(13)<br>'4-16                | '152        | Must be numeric (0-9)   |
|  |                               | '152        | YYMMDD must be equal to or less than<br>current date  |
|  |                               | '249        | Version Number (V) must be "0" if<br>Action Code is "A" (add)   |
|  |                               | '248        | Version Number (V) must be 1 thru 9 if<br>Action Code is "C" (change) and must be<br>one greater than suspense version No.                      |
|  |                               | '251        | If Action Code is "C" (change) or "D"<br>(delete), Transaction Control number<br>(TCN)(excluding V) must equal<br>suspense file. (YYMMDDNNNNNV) |
| Action Code  | X(1)<br>17                    | '003        | Must be "A", "C", or "D", otherwise invalid.<br>A=Add; C=Change; D=Delete   |
| Country Code (CC)                                    | X(2)<br>18-19                 | '037        | Must be on Country Code (CC) Table.<br>If not, reject.  |
| Implementing Agency<br>Code (IA)                     | X(1)<br>20                    | '038        | If Site Cite = 5 or 6, IA Code must be on<br>Implementing Agency (IA) Table.  |

**TABLE 403-1 INSTRUCTIONS FOR PREPARING "BK" TRANSACTIONS (CONTINUED)**

| Data Element Description and Element Abbreviation   | Format/<br>No. of<br>Position | FICS<br>TRC  | Edit/Validations of: Transactions<br>BKI Input--MILDEP to SAAC<br>BKF Feedback--SAAC to MILDEP                                       |
|---|-------------------------------|--|--|
| Case Designator   | X(3)<br>21-23                 | '039   | MUST be a valid case; if not reject.<br>Case must be on the Active case control<br>file (I) or closed (C) when case is a valid case. |
| Date Forecasted (YYMM)<br>for Fiscal Year   | X(4)<br>24-27                 |  |  |
| Amount Open Requisition   | S9(12)<br>V99<br>28-39        |  |  |
| <b>THE POSITIVE TRANSACTION CONTROL FEEDBACK CONTAINS THE<br/>ORIGINAL BKI TRANSACTION PLUS THE FOLLOWING DATA ELEMENTS<br/>FOR THE BKF TRANSACTION</b> |                               |  |  |
| Transaction Reply Code<br>(TRC)   | X(15)<br>40-54                | FEEDBACK TRANSACTIONS ONLY. This 15<br>character element is appended to the feedback<br>format of all interface transactions by the recipient<br>system. This area will contain 1 to 5, 3-digit<br>transaction reply codes to communicate back to the<br>originator system the result of processing the<br>transaction. (Left justified/space filled). |  |



**TABLE 403-2 ILLUSTRATIONS OF PAYMENT SCHEDULE REVISIONS****A. Original Estimated Payment Schedule**

| <u>Payment Date</u> | <u>Quarterly</u> | <u>Cumulative</u> |
|---------------------|------------------|-------------------|
| Initial Deposit     | \$100,000        | \$100,000         |
| 15 Mar 198X         | 90,000           | 190,000           |
| 15 Jun 198X         | 80,000           | 270,000           |
| 15 Sep 198X         | 70,000           | 340,000           |
| 15 Dec 198X         | 60,000           | 400,000           |
| 15 Mar 198Y         | 50,000           | 450,000           |
| 15 Jun 198Y         | 40,000           | 490,000           |
| 15 Sep 198Y         | 30,000           | 520,000           |
| 15 Dec 198Y         | 20,000           | 540,000           |

**B. Revision No. 1 - Upward Adjustment (Note 1)**

| <u>Payment</u>                   | <u>Quarterly</u> | <u>Cumulative</u> |
|----------------------------------|------------------|-------------------|
| Cumulative to Date (15Sep198X)   | N/A              | \$340,000         |
| Initial Deposit (this amendment) | 85,000           | 425,000           |
| 15 Dec 198X                      | 65,000           | 490,000           |
| 15 Mar 198Y                      | 55,000           | 545,000           |
| 15 Jun 198Y                      | 45,000           | 590,000           |
| 15 Sep 198Y                      | 35,000           | 625,000           |
| 15 Dec 198Y                      | 25,000           | 650,000           |

**C. Revision No. 2 - Downward Adjustment (Note 2)**

| <u>Payment</u>                 | <u>Quarterly</u> | <u>Cumulative</u> |
|--------------------------------|------------------|-------------------|
| Cumulative to Date (15Jun198Y) | N/A              | \$590,000         |
| Revised Cumulative to Date     | N/A              | 550,000           |
| 15 Sep 198Y                    | 15,000           | 565,000           |
| 15 Dec 198Y                    | 10,000           | 575,000           |

**Notes:**

1. In Revision No. 1 (due at SAAC not less than 10 Sep 198X), the Cumulative to Date amount of \$340,000 corresponds to the 15 Sep 198X cumulative amount on the original payment schedule. Since there is no adjustment to the Cumulative to Date amount, there is no need for a Revised Cumulative to Date entry. However, an initial deposit (reflected on the DD 1513-1) is requested and is therefore shown.

2. In Revision No. 2 (due at SAAC not later than 10 Jun 198Y), the Cumulative to Date amount of \$590,000 corresponds to the 15 Jun 198Y entry contained in Revision No. 1. Since the implementing agency desires to reduce this amount by \$40,000, a Revised Cumulative to Date entry (\$550,000) is shown.

**0404 CONTRACTOR REQUEST FOR PROGRESS PAYMENTS AND REIMBURSEMENT OF COSTS UNDER CONTRACTS INCLUDING FMS REQUIREMENTS**

**040401. General.** Current contracting procedures permit the consolidation of DoD and FMS customer(s) requirements into a single contract. To implement FMS cash flow requirements it is necessary that an allocation be made of the amount billed to DoD and to each FMS customer. The portion of the bill which is applicable to an FMS customer can be paid only to the extent that the specific customer has deposited a cash advance into the Department of the Treasury.

**040402. Contractor Allocations.** The DoD FAR Supplement Clause 252.232-7002, Progress Payments for Foreign Military Sales Acquisitions, requires that if DoD contracts include FMS requirements that the contractor shall:

A. Submit a separate progress payment request for each progress payment rate; and

B. Submit a supporting schedule showing:

1. The amount of each request distributed to each country's requirements; and

2. Total price per contract line item applicable to each progress payment rate.

C. Identify in each progress payment request the contract requirements to which it applies (i.e., FMS or U.S.);

D. Calculate each request on the basis of the prices, costs (including costs to complete), subcontractor progress payments, and progress payment liquidations of the contract requirements to which it applies; and

E. Distribute costs among contract line items and countries in a manner acceptable to the Administrative Contracting Officer.

**040403. Administrative Contracting Officer Allocations.** To the extent that a contractual

requirement has not been established and the contractor does not allocate costs to the foreign countries or international organization, the administrative contracting office shall make such allocations before approving payment. When allocations are required, such allocations should normally be on the basis of actual performance. If it is impractical to estimate actual performance, the allocation shall be on the basis of simple dollar relationships as described in subparagraphs A. through C. below.

A. The authorized progress payment percentages will be applied to the overall contract cost to determine the amount of permissible progress payments. This amount will not be exceeded.

B. Determine the percentage relationship of the unliquidated obligations (ULO) of each accounting classification reference number (ACRN) to the total ULO of the contract. Progress payments will be allocated among the various funds based upon these percentages.

1. For example, contract has a ULO of \$600,000. ULO of ACRNs assigned are as follows:

|    |           |
|----|-----------|
| AA | \$ 50,000 |
| AB | 50,000    |
| AC | 100,000   |
| AD | 100,000   |
| AE | 300,000   |

2. The applicable percentages to be used are:

|    |            |       |
|----|------------|-------|
| AA | 50/600 or  | 8.3%  |
| AB | 50/600 or  | 8.3%  |
| AC | 100/600 or | 16.7% |
| AD | 100/600 or | 16.7% |
| AE | 300/600 or | 50.0% |

3. Contract has a progress payment percentage of 90%. The contractor requests a payment in the amount of \$54,000 based on accrued costs of \$60,000. The payment would be processed as follows:

|    |                   |          |
|----|-------------------|----------|
| AA | \$54,000 x 8.3% = | \$ 4,500 |
| AB | 54,000 x 8.3% =   | 4,500    |

|    |                |   |        |
|----|----------------|---|--------|
| AC | 54,000 x 16.7% | = | 9,000  |
| AD | 54,000 x 16.7% | = | 9,000  |
| AE | 54,000 x 50.0% | = | 27,000 |

C. Recoupment will be applied first against the line the deliveries are applicable to and the remainder against the outstanding work in process (WIP) on a percentage basis. For example, using the figures above an assuming the recoupment percentage is 90%, the contractor ships and invoices for \$30,000; \$20,000 is applicable to ACRN AD and \$10,000 is applicable to ACRN AE. As 90% of \$20,000 or \$18,000 exceeds the outstanding WIP on ACRN AD, only \$9,000 can be recouped against ACRN AD. Ninety percent of \$10,000 for ACRN AE or \$9,000 for AE can be recouped. The remaining \$9,000 to be recouped is prorated against the ACRNs with outstanding WIPs on a percentage basis as follows:

| ACRN | Original WIP Less<br>Initial Recoupment | WIP<br>Remaining |
|------|---|------------------|
| AA   | 4,500 less 0                            | = \$ 4,500       |
| AB   | 4,500 less 0                            | = 4,500          |
| AC   | 9,000 less 0                            | = 9,000          |
| AD   | 9,000 less 9,000                        | = 0              |
| AE   | 27,000 less<br>9,000                    | = <u>18,000</u>  |

#### Computation of Percentages

|    |               |   |       |
|----|---------------|---|-------|
| AA | 4,500/36,000  | = | 12.5% |
| AB | 4,500/36,000  | = | 12.5% |
| AC | 9,000/36,000  | = | 25.0% |
| AD | 0/36,000      | = | 0.0%  |
| AE | 18,000/36,000 | = | 50.0% |

The total recoupment for this transaction would be as follows:

|       |                          |   |               |
|-------|--------------------------|---|---------------|
| AA    | 12.5% of 9,000           | = | \$ 1,125      |
| AB    | 12.5% of 9,000           | = | 1,125         |
| AC    | 25.0% of 9,000           | = | 2,250         |
| AD    | 0.0 + 9,000              | = | 9,000         |
| AE    | 50.0% of 9,000<br>+9,000 | = | <u>13,500</u> |
| Total |                          |   | \$27,000      |

#### 0405 DEPOSIT OF CUSTOMER CASH INTO TREASURY ACCOUNTS

**040501. General.** DD Form 645 and LOA financial instructions direct that foreign customer's payments (initial deposits or billing statement payments) be forwarded by wire transfer or check to the Security Assistance Accounting Center (SAAC), Defense Finance and Accounting Service-Denver Center, Denver, CO 80279-5000. However, these payments are sometimes misrouted to Office of the Secretary of Defense, Military Departments' headquarters, international logistics centers, commodity commands, etc.

**040502. Receipt of Checks.** Any recipient of a check from an FMS customer is responsible for depositing the check into a Treasury account within one working day after receipt. When a recipient other than SAAC is making the deposit, the deposit shall be processed as a courtesy deposit for SAAC. The following procedures apply:

A. Prepare a Treasury Deposit SF 215 deposit ticket using DSSN 3801 in block 3, Disbursing Office Symbol (example is at Table 405-1).

B. Notify the SAAC Reports and Cash Management Division (IR), DSN 926-6006, that a courtesy deposit is being accomplished. Provide the money amount, paying FMS customer (for example, Germany), and FMS case number (if available).

C. Process the deposit through a Federal Reserve Bank or supporting member bank. (Note: Endorse the check showing DSSN 3801 as the collecting organization.)

D. Send a copy of the "confirmed copy" of the SF 215 to DFAS-DE/I (SAAC), 6760 East Irvington Place, Denver, CO 80279-2000. Attach supporting documentation that was received with the misrouted payment.

E. SAAC shall voucher the collection into the FMS Trust Fund upon receipt of the SF 215.

**040503. Wire Transfers.** In the event inquiries are received regarding wire transfer of funds to SAAC or misrouted funds to be wire transferred, the following information pertains:

A. Wire transfers should be sent to the Department of Treasury Account at the Federal Reserve Bank of New York City, using the standard Federal Reserve Funds Transfer (FRFT) format. Wire transfers shall be accepted by the Federal Reserve System (FRS) only from banks that are members of the FRS. Foreign banks must go through a U.S. correspondent bank that is a member of the FRS.

B. The member bank shall prepare the FRFT form as outlined in Table 405-2. This information shall be provided to ensure prompt and correct application of the remittance.

C. SAAC retrieves wire transfers daily from the Treasury Financial Communications Systems (TFCS) and prepares collection vouchers from this data for crediting FMS customers.

TABLE 405-1 DEPOSIT TICKET (SF 215)

| STANDARD FORM 215 (REV 5/78)<br>PRESCRIBED BY DEPT OF TREASURY<br>1 TRFM 3-3000   |   | DEPARTMENT OF THE TREASURY<br>BUREAU OF GOVERNMENT FINANCIAL OPERATIONS   |                   |
|---|---|---|-------------------|
| <b>DEPOSIT TICKET</b>   |   |   |                   |
| DEPOSIT NUMBER<br>71 48819  | DATE PRESENTED OR<br>MAILED TO BANK<br>11-03-76 | 8-DIGIT OR 4-DIGIT<br>AGENCY LOCATION CODE<br>(ALC)<br>116-01-2003  | AMOUNT<br>7,70.24 |
| 6. AGENCY USE<br>123-651 (SEE APPROP DATA)  |   |   |                   |
| (9) DEPOSITORS TITLE DEPARTMENT OR AGENCY AND ADDRESS<br>(10) DEPOSITORS FORWARD THIS DOCUMENT WITH STATEMENT OR TRANSCRIPTION<br>OF THE U.S. TREASURY ACCOUNT OR THE SAVE DATE   |   | (17) NAME AND ADDRESS OF DEPOSITARY<br>FEDERAL RESERVE BANK<br>PHILA., PA. 19105<br>(18)<br>M M D D Y Y<br>AUTHORIZED SIGNATURE<br>CONFIRMED DATE |                   |
| ORIGINAL  |   | MEMORANDUM COPY   |                   |
| (11) DEPOSITORS RETAINS THIS COPY WHEN MAKING DEPOSIT. AFTER RECEIVING CONFIRMED COPY FROM BANK INSERT THE<br>CONFIRMED DATE IN BLOCK NO 18 ABOVE ON THIS COPY AND SUBMIT THIS COPY WITH YOUR MONTHLY REP<br>THE DEPARTMENT OF THE TREASURY |   |   |                   |
| DEPOSITORY COPY   |   | AGENCY COPY   |                   |
| (11) DEPOSITOR RETAIN THIS COPY FOR INTERNAL USE<br>DO NOT SUBMIT THIS COPY TO DEPOSITARY   |   | (11) DEPOSITARY DATE SIGN AND RETURN<br>THIS COPY TO DEPOSITOR  |                   |
| CONFIRMED COPY  |   |   |                   |

**TABLE 405-2 FEDERAL RESERVE FUND TRANSFER FORMAT**

|   |                   |  |  |
|---|-------------------|--|--|
| (1).  |                   |  |  |
| To (2).<br>021030004  | Type (3).         |  |  |
| From (4).   | REF (5).          | Amount (6).<br>Amount of this transfer |  |
| Ordering Bank and Related Data (7)  |                   |  |  |
| (8)<br>TREAS NYC (3801)   | (9)<br>DFAS-DE/IR | (10)                                   |  |
| (11).<br>Appropriate information to identify the reason for this funds transfer |                   |  |  |
|   |                   |  |  |
|   |                   |  |  |
| Message Acknowledgement   |                   |  |  |

**FORMAT FOR FEDERAL RESERVE FUND TRANSFER**

Detailed below are the critical data (items 2, 6, 8, 9, 10, 11) the FMS customer or its local bank must supply to the member bank. It is also shown in the exact way it must appear on the standard FRFT format. Items 1, 3, 4, 5, and 7 will be completed by the member bank in accordance with accepted Federal Reserve fund transfer procedures.

- Item 1.** Priority Code The priority code will be provided by the member bank.
- Item 2.** Treasury Department Code  
The nine-digit identifier, 021030004, is the symbol of the Federal Reserve Bank of New York City.
- Item 3.** Type Code The type code will be provided by the member bank.
- Item 4.** Sending Bank Code This nine-digit identifier will be provided by the member bank.
- Item 5.** Reference Number  
The reference number may be inserted by the member bank to identify the transaction.
- Item 6.** Amount  
The amount will include the dollar sign and the appropriate punctuation, including cents digits. This item will be provided by the FMS customer or its local bank.
- Item 7.** Sending Bank Name  
The telegraphic abbreviation which corresponds to item 4 will be provided by the sending bank.
- Item 8.** Treasury Department Name  
The telegraphic abbreviation, TREAS NYC, is a constant and is required for all funds transfer messages sent to Denver. This item must be followed by a slash (/).
- Item 9.** Agency Location Code  
This code refers to a numeric symbol used to identify Federal Government entities (e.g., accounting offices, disbursing, and collecting offices). The agency's unique code must be specified in the funds transfer message in order for the funds to be correctly classified to the respective agency. The code for SAAC is: (3801) Defense Finance and Accounting Service.
- Item 10.** Agency Name  
Enter: DFAS-DE/IR immediately after the Agency Location Code.
- Item 11.** Third Party Information  
The appropriate information to identify the reason for the funds transfer should be provided by the member bank to the FRB. This data must be provided the member bank by the customer or its local bank. For the USAF F-16 program, incoming wires for currency exchange transactions should also show the originating contractor and what organization is to receive exchange proceeds.

**0406**    **EXPENDITURE AUTHORITY**

**040601. General.** Any disbursement of Trust Fund cash by an organization other than the Security Assistance Accounting Center (SAAC) shall be made only pursuant to an expenditure authorization issued by SAAC. When SAAC issues an expenditure authorization, the cash necessary to liquidate the expenditure authorization is formally segregated in the SAAC accounting records and the cash is available for no other purpose. Normally, procurements accomplished on a reimbursable basis shall be supported by a self-reimbursement expenditure authorization. However, a cash advance to an appropriation account must be obtained when a cash disbursement for an FMS contract would, if made, result in the applicable appropriation account being placed in a negative cash position.

**040602. Self-Reimbursement Expenditure Authorizations**

A. The SAAC shall issue expenditure authorizations to disbursing activities when authorization to self-reimburse an appropriation fund account has been requested and approved. Each disbursing activity shall establish internal controls to ensure that reimbursable payments from the financing appropriation do not exceed the current self-reimbursement expenditure authorization. If an invoice applicable to FMS requirements is to be processed as a "transaction for others," expenditure authority shall be obtained by the disbursing activity. Accumulate and summarize all FMS payments for reimbursable work from each financing appropriation account through the use of "no check SFs 1080." Forward disbursement and supporting delivery transactions to SAAC not later than 16 days after the last day of the month in which self-reimbursement occurs.

B. Each DoD Component receiving contractor invoices shall establish internal controls to ensure that payments to contractors from the financing appropriation account do not exceed the current country-level self-reimbursement expenditure authorization. If an invoice applicable to FMS requirements is to be processed as a "transaction for others," expenditure authority must be obtained from the

holder of the self-reimbursement expenditure authorization before disbursement.

**040603. Direct Cite Expenditure Authorizations**

A. The SAAC shall issue expenditure authorizations to the disbursing activity. Any unused expenditure authority shall be returned to SAAC by the third work day of the following month. Each DoD Component receiving contractor invoices for contracts which reflect the FMS Trust Fund as the financing source shall establish internal controls to ensure that payments do not exceed the current country level expenditure authorization. If the invoice is to be processed as a "transaction for others," expenditure authority must be obtained from the holder of the expenditure authorization prior to disbursement.

B. The status-of-allotment report to be submitted by holders of an allotment for direct cite of the FMS Trust Fund (11X8242) on contractual documents provides for the identification of disbursements by FMS case and is to be supported by delivery transactions. A reconciliation statement must accompany the status-of-allotment report to identify disbursements that have been made but not included in the status-of-allotment report.

**040604. Procedures.** As a minimum, when expenditure authorization procedures are used, Heads of DoD Components shall:

A. Ensure procurement instruments state that disbursement of funds is not authorized until clearance has been obtained from the holder of the expenditure authorization.

B. Identify the holder of the expenditure authorization in the procurement instrument or other correspondence, if payments are processed on a "transaction for others" basis.

C. Ensure that paying activities request authorization prior to making FMS-related disbursements. Telephone clearance may be used provided the holder of the expenditure authorization formally confirms the authorization within 48 hours. Formal confirmation includes memoranda, electronic message, data fax, or overnight mail.

D. Establish internal controls to ensure that payments (direct citation or reimbursable financing) do not exceed the current country (customer) level authorization.

E. Identify disbursements to a specific FMS Case, reimbursement code, record serial number, dollar value and such other information as necessary to match disbursements to the applicable delivery transactions.

F. Ensure that procurement accounts are reimbursed within 10 working days after the disbursement has been recorded in the accounting activity's official expenditure records.

**040605. Cash Advances.** When cash advances are required, they shall be processed on an "as required" basis. The amount requested shall be equal to anticipated disbursing demands for a 30-day period. Liquidation of outstanding advances (earning the advance through payment to contractors) shall be reported to SAAC monthly. The objective is to limit the amount and length of time that outstanding advances remain against the Trust Fund.

**040606. Cash Flow Problems.** In the event a cash flow problem results in SAAC's inability to provide cash advances or expenditure authorizations and contractor billings cannot be paid by the due date, the provisions of paragraph 070403.B. of Chapter 7 of this Volume shall be followed.

**040607. Automated Formats.** Table 406-1 is an example of the automated format used to request/authorize expenditure authority. The "SZF" (feedback) provides positive transaction control. Other "S" formats in the series are used to process and control disbursement data. Included in Table 406-1 are particulars of the edits performed on the data. Specific details and instructions on how this format is used are contained in the FMS Integrated Control System (FICS) document.



**TABLE 406-1 EXAMPLE OF NOTIFICATION OF  
EXPENDITURE AUTHORITY REQUEST/FEEDBACK**

| Data Element Description<br>and Element Abbreviation | Format/<br>No. of<br>Position | FICS<br>TRC | Edit/Validations of:<br>SZI Input--MILDEP to SAAC<br>SZF Feedback--SAAC to MILDEP   |
|--|-------------------------------|-------------|---|
| Document Identifier Code<br>(DIC)                    | X(3)                          | '002        | Must be "SZI"--MILDEP to SAAC.<br>Originator to recipient SZI.  |
| Notification of Expenditure<br>Authority (Input)     | '1-3                          |             |   |
| Notification of Expenditure<br>Authority (Feedback)  | '1-3                          |             | "SZF" A machine generated mirror image<br>of the SZI transaction and appended with<br>Transaction Reply codes by the Positive<br>Control to become the SZF transaction. |
| Transaction Control No.<br>(YYMMDDNNNNNV)            | X(13)<br>'4-16                | '152        | Must be numeric   |
|  |                               | '152        | YYMMDD must be equal to or less than<br>current date  |
|  |                               | '249        | Version Number (V) must be "0" if<br>Action Code is "A" (add)   |
|  |                               | '248        | Version Number (V) must be 1 thru 9 if<br>Action Code is "C" (change) and must be<br>one greater than suspense version No.  |
|  |                               | '251        | If Action Code is "C" (change) or "D"<br>(delete), Transaction Control number<br>(TCN)(excluding V) must equal file<br>suspense file. (YYMMDDNNNNNV)                    |
| Action Code  | X(1)<br>17                    | '003        | Must be "A", "C", or "D"<br>A=Add; C=Change; D=Delete   |
| Country Code (CC)                                    | X(2)                          | '037        | Must equal "OO", "JF", "EP", "FG",<br>"79", "82", or be on SAAC's Country<br>Code Table 2.  |
| Implementing Agency<br>Code (IA)                     | X(1)                          | '038        | Must be on SAAC's IA Code Table #7<br>Cannot be "9" or "S".   |

**TABLE 406-1 EXAMPLE OF NOTIFICATION OF  
EXPENDITURE AUTHORITY REQUEST/FEEDBACK (CONTINUED)**

| Data Element Description<br>and Element Abbreviation | Format/<br>No. of<br>Position | FICS<br>TRC | Edit/Validations of:<br>SZI Input--MILDEP to SAAC<br>SZF Feedback--SAAC to MILDEP  |
|--|-------------------------------|-------------|--|
| Case Designator                                      | X(3)<br>21-23                 | '039        | "91X", "93X", or "94X" or be on the<br>Active Case Control History   |
| Date Accounting Month<br>(DT-ACCT-MO)<br>(YYMM)      | X(4)<br>24-27                 | '281        | YYMM must equal to current date<br>or one or two prior months. If last five<br>days of current month, YYMM may be  |
| Disbursing Station Symbol<br>Number (DSSN)           | X(4)<br>'28-31                |             | No Edit  |
| Accounting Station Symbol<br>Number (ASSN)           | X(6)<br>'32-37                |             | No Edit  |
| Amount of Expenditure<br>Authority Requested         | S9 (12)<br>V99<br>38-51       | '156        | Must be numeric  |
|  |                               | '161        | Negative amounts must be processed<br>first. There must be sufficient cash in<br>General Ledger Account 1001, Available<br>Cash, at Country Level Account 1001 is<br>the second occurrence of money field on<br>General Ledger |
| Date of Disbursement<br>Accounting Month             | X(4)<br>52-55                 | '320        | YYMM must be equal to or less than<br>current date. Cannot exceed dt-acct-mo.<br>MM must be 01 thru 12. If last five<br>days of current month YYMM may be<br>next month.   |
| Disburser's<br>Implementing Agency                   | X(1)<br>56                    | '038        | Must be on SAAC's IA Code Table #3<br>Cannot be "9" or "S"   |
| Reserve Indicator<br>Year                            | X(1)<br>56                    |             | No Edit  |

**TABLE 406-1 EXAMPLE OF NOTIFICATION OF  
EXPENDITURE AUTHORITY REQUEST/FEEDBACK (CONTINUED)**

| Data Element Description<br>and Element Abbreviation  | Format/<br>No. of<br>Position | FICS<br>TRC  | Edit/Validations of:<br>SZI Input--MILDEP to SAAC<br>SZF Feedback--SAAC to MILDEP |
|---|-------------------------------|--|---|
| <b>THE POSITIVE TRANSACTION CONTROL FEEDBACK CONTAINS THE<br/>ORIGINAL SZI TRANSACTION PLUS THE FOLLOWING DATA ELEMENTS<br/>FOR THE SZF TRANSACTION</b> |                               |  |   |
| Transaction Reply Code<br>(TRC)   | X(15)<br>58-72                | FEEDBACK TRANSACTIONS ONLY. This 15<br>character element is appended to the feedback<br>format of all interface transactions by the recipient<br>system. This area will contain 1 to 5, 3-digit<br>transaction reply codes to communicate back to the<br>originator system the result of processing the<br>transaction. (Left justified/space filled). |   |

## CHAPTER 05

COLLECTING AND REPORTING FMS INDEBTEDNESS AND ARREARAGES0501 INTRODUCTION

050101. Objective. The objective of this chapter is to establish procedures to be used for the collecting and reporting of FMS foreign indebtedness. It incorporates pertinent portions of Volume 6, Chapter 12, [see reference (k)], relating to foreign military sales indebtedness. If there is a conflict between this Chapter and Volume 6, the latter will be used as the source of authority.

050102. Responsibilities

A. The Defense Finance and Accounting Service is the DoD point of contact for matters concerning foreign indebtedness (non-FMS) requirements imposed on DoD from outside the Department, such as by the Congress, the Treasury Department, or the National Advisory Council (NAC) on International Monetary and Financial Policies.

B. DSAA is responsible for coordinating FMS feeder arrearage reports submitted by the SAAC. These FMS reports will be incorporated into the single consolidated DoD arrearage report submitted to the Treasury Department in accordance with reference (k). DSAA shall also monitor FMS collection actions and follow up when initial collection actions have been unsuccessful.

C. The SAAC is responsible for taking initial collection action, accounting for indebtedness, preparation of feeder arrearage reports, and providing copies of the arrearage reports to the DSAA.

0502 COLLECTION PROCEDURES

050201. Initial and Follow-Up Actions. SAAC is responsible for taking timely and aggressive

billing and follow-up collection action to obtain advances required from FMS customers pursuant to authorized programs as follows:

A. Initial Billing. Billings for advances required under the FMS program shall be initiated by using the DD Form 645 (Foreign Military Sales Billing Statement) or Defense Security Assistance Agency supplementary billing statements in accordance with Chapter 8 of this Volume. Since the amounts not paid on individual cases may ultimately result in a country-level arrearage, follow-up actions shall be taken for non-payment of amounts due at case-level by the due date in accordance with procedures in paragraph B below. Country-level follow-up actions, described in subparagraph C, shall be taken for non-payment of total amounts due at country-level by the due date on a net basis (considering all sources of available funds). Arrearages and interest penalties are determined at country level. See Table 503-1 for the timing of these actions.

B. Case-Level Follow-Up Actions. Based on the payment due date in the applicable billing statement, SAAC shall take initial written follow-up action in the following circumstances:

1. For cases when the payment due is \$1 million or more or where the case closure is pending receipt of customer funds, written follow-up action should be taken 30 days after the payment due date to notify the country that payment has not been received. If no response is received, additional written follow-up action shall be made 60 and 90 days after the payment due date. SAAC will refer case-level late payments more than 120 days after payment due date to DSAA for further action. A sample format for the three follow-up actions is contained in Table 502-2.

2. Where the full or partial non-payment of the amounts due would place the

FMS customer's Trust Fund balance in an arrearage position (per paragraph 050302), follow-up action should be taken on an individual case 30 days after the payment due date. If no response is received, additional written follow-up action shall be made 60, 90, and 120 days after the payment due date. A sample format for the three follow-up actions is contained in Table 502-2.

3. For cases where the payment due is less than \$1 million, and the lack of payment would have no significant impact on the FMS customer's Trust Fund balance, written follow-up action will be taken 60 days after payment due date. A sample format for this follow-up action is contained in Table 502-2.

4. If payments on loan-financed cases have not been received 30 days after the payment due date, SAAC should determine the status of any loan drawdown letters that may be in preparation or have not as yet been executed. For any amounts still not covered, SAAC should immediately initiate written follow-up action to the customer, citing the unpaid amount by case, and requesting the customer to prepare a loan drawdown letter or to make cash payments to cover the amounts due. These letters should be coordinated with DSAA/COMPT-FMD prior to dispatch. If the payments due remain unpaid 60 days after the payment due date, refer the matter to DSAA Comptroller for further action.

C. Country Level Follow-Up Actions. Based on conditions 3 and 4 shown in Table 502-1, SAAC shall take initial written follow-up action using the following procedures:

1. All country-level unpaid accounts receivable and arrearages (see paragraph 050302) require written follow-up action by SAAC should payment for billings not be received by the required date. The initial written follow-up actions will be taken 30 days after the payment due date.

2. If no response is received, additional written follow-up action will be made 60, 90, and 120 days after the payment due date.

3. The fourth follow-up letter is prepared by DSAA.

4. A copy of all follow-up actions will be maintained by SAAC until final disposition of the bill. Copies of follow-up letters prepared by SAAC will be sent to DSAA. A sample format for the follow-up actions is contained in Table 502-3.

**050202. Referral of Unpaid Bills.** All country-level foreign indebtedness (arrearages) not collected within 90 days after the due date will be reported to the Treasury (see Section 1203 of Volume 6). When reporting arrearages for the first time, SAAC will include copies of the previous follow-up letters along with any responses received. SAAC will assure that DSAA is immediately notified of any payment received after referral. This is essential to preclude unnecessary and possibly embarrassing diplomatic collection actions being continued after payment has been received. Detailed directions for reporting these arrearages are prescribed in Sections 1203 and 1204 of Volume 6.

**050203. Collection of Unpaid Bills**

A. DSAA will prepare a fourth follow-up letter on arrearages and will use all available means to effect collection of the foreign arrearages within 60 days of initial referral of the reported arrearages. A copy of this follow-up letter will be provided to SAAC.

B. After the 60 days have elapsed, all arrearages from foreign countries and international organizations which cannot be collected through DoD efforts and are not compromised, terminated, or suspended in accordance with paragraph 120207 of Volume 6, shall be referred to the Department of State via the Assistant Secretary of Defense (International Security Affairs)(ASD(ISA)), with a request for diplomatic assistance to effect settlement. Data provided to the State Department will include a listing of delinquent billings to country. The State Department will provide appropriate listings to the American Embassies, whose personnel will contact the appropriate officials in their respective countries to assist in any follow-up action.

**050204. Identification of Arrearages.** An arrearage represents a past due amount for materials which have been delivered, services which have

been performed, and for progress payments to contractors on behalf of a customer. Cash in advance of such performance is required for FMS customers unless a written determination has been made pursuant to legal authority; see paragraph 070104.D., "Payment Terms." There

fore, in the FMS program, an arrearage is an exceptional event. If an arrearage does occur, it is on a net country basis (considering all sources of funds) and followed up in accordance with procedures set forth in Volume 6, Chapter 12 of this Volume.

**TABLE 502-1 ANALYZING THE STATUS OF COUNTRY DEPOSITS**

| CONDITIONS   | CASH POSITION<br>(ALL SOURCES)    | BILLING DUE/<br>PAYMENT STATUS               | ACCRUED EXPENDITURES                         | DEBT OR<br>ARREARAGE<br>STATUS |
|--|-----------------------------------|--|--|--------------------------------|
| 1*   | 6 Months or more cash available   | Billed per schedule<br>Unpaid after due date | Less than cash available<br>from all sources | No Debt                        |
| 2*   | 6 Months or less cash available   | Billed per schedule<br>Paid on due date      | Less than cash available<br>from all sources | No Debt                        |
| 3**  | Less than 6 months cash available | Billed per schedule<br>Unpaid after due date | Less than cash available<br>from all sources | Debt                           |
| 4***   | Less than 6 months cash available | Billed per schedule<br>Unpaid after due date | More than cash available<br>from all sources | Arrearage                      |
| <p>*No country-level follow-up required - no current accounts receivable.</p> <p>**Country-level follow-up is required. This accounts receivable will be aged (see paragraph 050302 of Volume 15 of this Regulation. Termination liability is a component of debt but not arrearage.</p> <p>***Country-level follow-up is required. This accounts receivable will be aged and the country will be reported to the Treasury on TFS Form 4503.</p> |                                   |  |  |                                |

**TABLE 502-2 CASE-LEVEL FOLLOW-UP EXAMPLE LETTER**[Country/Organization Address]

Dear [Mr/Ms Addressee]:

Records of this activity reflect that payment has not been received to date for statement \_\_\_\_\_ covering (services/support/ material) furnished in accordance with the contractual agreement between the U.S. (Military Service) and the Government of \_\_\_\_\_ (for Foreign Military Sales Case \_\_\_\_\_) dated \_\_\_\_\_.

A copy of the original bill (or a list of cases) is attached.

If you have any questions concerning the statement of this letter, please contact (name/symbol/phone) for assistance.

An early response will be appreciated.

Sincerely,

Signature

Attachment - 1  
Cy Original Billing

cc: DSAA/COMPT/FMD

**TABLE 502-3 COUNTRY-LEVEL FOLLOW-UP EXAMPLE LETTER**[Country/Organization Address]

Dear [Mr/Ms Addressee]:

Records of this activity reflect that payment has not been received to date for statement \_\_\_\_\_ covering purchases furnished in accordance with the contractual agreements between the U.S. Military Services and the Government of \_\_\_\_\_. Interest will be charged for all disbursements not covered by cash deposits. In addition, we are required to report to the Department of Treasury indicating an arrearage position for your [country/organization] in the FMS Trust Fund account.

A copy of the original bill (or a list of cases) is attached.

It is requested that an immediate response be made in order to preclude alternative actions which might result from further delay in payment.

Sincerely,

Signature

Attachment - 1  
Cy Original Billing

cc: DSAA/COMPT/FMD

**0503 REPORTING OF FMS ACCOUNTS RECEIVABLE**

**050301. General.** According to the AECA the DoD may enter into contracts for the procurement of defense articles or services for sale to any foreign country if such country agrees (1) to pay the full amount of such contract which will assure the USG against any loss on the contract, and (2) to make funds available in such amounts and at such times as may be required to meet the payments required by the contract and any damages and costs that may accrue from the cancellation of such contract (termination liability), in advance of the time such payments, damages, or costs are due. Accordingly, amounts payable to SAAC for sales of defense articles and services under these terms which require payment in advance of delivery/performance, or within 60 days thereof, will be classified as accounts receivable when the aggregate amount of available cash is less than required to support six months of average disbursements (see paragraph 030205). The six months rule may be revised based on evaluation by DSAA or official agreements executed with the country. Unpaid amounts on bills rendered when available cash exceeds the six months rule are for the convenience of the FMS customer, thus follow-up and aging of accounts receivable are not required. SAAC, with DSAA coordination, shall submit reports of foreign indebtedness related to FMS sales to the Treasury on TFS Form 4503 when conditions cited in paragraph 050302 occur.

**050302. Basis for Reporting Arrearages on Accounts Receivable.** A delinquent receivable is defined as a receivable that remains unpaid after its due date (see condition 3 in Table 502-1). A country-level arrearage on a delinquent accounts receivable occurs when total accrued costs exceed total available cash (see condition 4 in Table 502-1). Amounts to be reported shall be determined by analyzing unpaid bills using the criteria and definitions contained in Volume 6, Chapter 12 [see reference (k)] and the following supplementary guidance. The "total amount outstanding" and the "amount due and unpaid 90 days or more" will be determined as follows:

A. Countries will be reported as having a "total amount outstanding" (arrearage) in column 3 of the TFS Form 4503 based upon DSAA review of reports submitted by DFAS-DE. DFAS-DE will report using the following criteria:

1. The accrued expenditures recorded in Column 10 exceeds (a) the total in column 13 of the DD Form 645 on a net country basis (adjusted for over-collected cases) plus the country's cash resources (including holding accounts, interest-bearing accounts, and undisbursed FMF) or, (b) the total of the amount paid on the DSAA supplementary bill plus the country's cash resources (including holding accounts, interest-bearing accounts, and undisbursed FMF).

2. When column 13 exceeds the accrued expenditures in column 10 and/or the cash resources exceed a six months' supply, no accounts receivable exists; therefore, the DFAS-DE will not report the country.

3. DSAA will review the DFAS-DE reports in the context of paragraph 050204 of this Volume to determine the values to be reported in column 3 of the TFS Form 4503.

B. Entries to column 5 of the TFS Form 4503 will be the amounts reported for the previous quarter less collections received during the current period.

**050303. Reports Required**

A. **Report Preparation.** Instructions for the preparation of TFS Form 4503 is contained in paragraph 120307 of Volume 6 of this Regulation [also see reference (k)]. To facilitate preparation of the consolidated Department of Defense report by DFAS, data for the military sales portion of the TFS Form 4503 shall be determined by DSAA. Instructions are provided in Sections 1205 and 1206 of Volume 6 of this Regulation. Country codes currently published in the Security Assistance Management Manual [reference (e)] shall be cited on the TFS Form 4503. Conversion of the data to the Treasury Country Codes as contained in Appendix 8 of the Treasury Fiscal Requirements Manual [reference (l)] shall be made by DFAS.



B. Submission. The Treasury Department requires the submission of FMS and non-FMS indebtedness reports within 30 days after the end of the quarter. DFAS-DE shall provide the report to DSAA within 20 days after the end of the quarter. DSAA will respond to DFAS-DE within five working days. One copy of the report shall also be provided to the Comptroller, DoD and ASD(ISA). Copies of the reports may be distributed within the Military Departments as desired.

C. Flash Report of Major Foreign Debt Arrearages. Major foreign debt arrearages are monitored by the NAC. Therefore, periodically DSAA will request flash reports from SAAC to satisfy NAC requirements for information on major FMS debt arrearages. For this purpose, a "major" FMS debt arrearage is any program arrearage which involves the sum of \$250,000 or more. Flash reports will be submitted directly to DSAA in message form. The report shall reflect any significant changes in major FMS debt arrearages from the quarterly FMS indebtedness report submitted in accordance with Section 502. Collections, information on increased indebtedness, problems encountered in unsuccessful collection attempts, or country circumstances which may adversely affect collection are examples of the information which should be included in the flash reports.

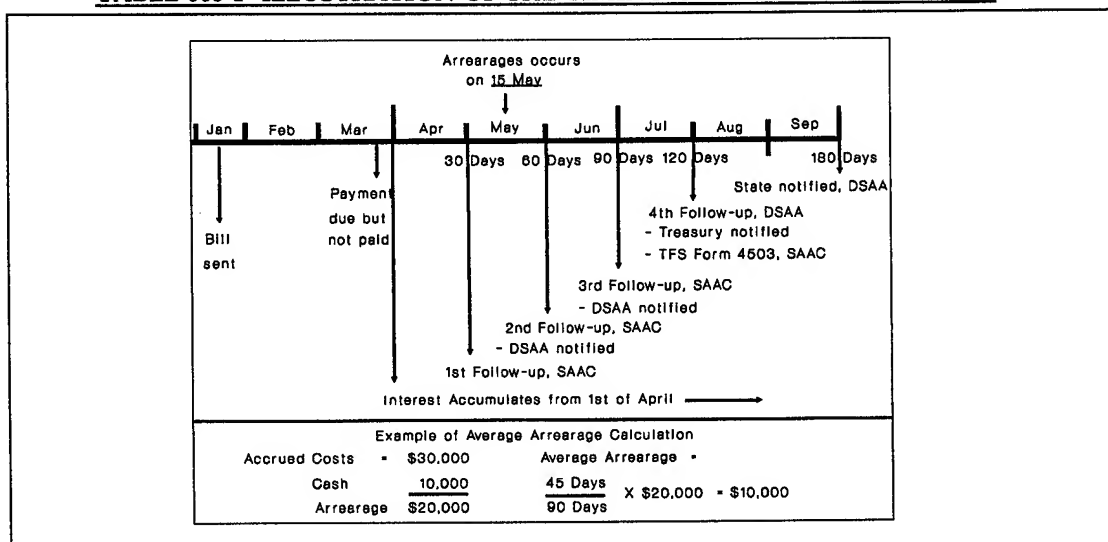
050304. Interest Charges on FMS Accounts Receivable Arrearages. SAAC shall analyze arrearages to determine if the interest charges set forth in paragraph 070104.B.5. must be assessed. Amounts subject to interest shall be determined by following the procedures set forth in paragraph 050302.A. Interest shall accumulate from the due date of the billing statement for the period during which accrued expenditures exceeded customer deposits. For example, a billing statement with a due date of March 15, is for funds to be disbursed during April, May, and June. Interest shall accumulate from the 1st of April if expenditures exceed customer deposits during the April/June quarter. Interest will be assessed based on the average arrearage during the month. See Table 503-1.

050305. Information Requirements. The requirements prescribed by Volume 6, Chapter 12 of this Regulation have been assigned the following reporting control numbers:

A. TFS Form 4503, "Current Status Accounts Receivable (Original Maturity of Less than 90 Days) from Foreign Obligors, "Interagency Report Control Number 0105-TD-QU.

B. Flash Report of Major Foreign Debt Arrearages, RCS: DSAA (AR) 1122.

TABLE 503-1 ILLUSTRATION OF THE TIMING OF FOLLOW-UP ACTIONS



## CHAPTER 06

CASE FILES0601 INTRODUCTION

**060101. Objective.** As an FMS case is never formally closed from a DoD accounting perspective, all supporting documentation should be retained for an indefinite period. Therefore, the objective of this chapter is to establish guidance as to those documents to be maintained as part of the FMS case file. The guidance is designed to facilitate uniformity of FMS case file maintenance and insure that necessary documentation is readily available and retrievable by the appropriate activities. The "total file" of each FMS case, although maintained in a decentralized manner by the various activities having responsibility for certain phases or actions associated with the case, must be able to stand as a comprehensive record of all relevant correspondence, worksheets, officially-prepared forms, etc., thus constituting a complete audit trail from the time of case initiation to case closeout/retirement. The case manager should maintain a directory of supporting documentation locations.

**060102. Concepts and Requirements**

A. FMS case files shall, to the extent practicable, be maintained in legal-sized folders, uniformly tabbed (e.g., Tab A, Tab B, etc.), in the manner discussed in Section 602. In those instances when more than one file folder is required, the folders shall be appropriately numbered (e.g., 1 of 2, 2 of 2, etc.). The documents/data placed in each folder shall be maintained in chronological sequence by tab.

B. It is neither necessary nor intended that each activity, e.g., NAVILCO, possess and file all the documents associated with a given FMS case. Rather, it is sufficient that each DoD implementing Component be able to identify which activities are to file what kinds of documents, so that in the event of an audit it is clear from the beginning what organizational entities

are responsible for preparation and/or filing of such documents. For example, the LOA is likely to be on file at several activities, e.g., Navy IPO, NAVILCO, SAAC, etc.; however, the quarterly requisition report (QRR) applicable to that case would likely have more limited distribution.

C. It is recognized that certain records associated with a case are in the form of bulky computer listings, etc., and are not conducive for placement in legal-sized folders. In such instances where a "tab" relating to such information has been identified in Section 602, it is sufficient to indicate in a general written procedure, on the case cover sheet, or within the tab itself, where such information can be located. The purpose for including such documents, or cross reference notes to such documents, is to ensure that the integrity of the case audit trail is maintained and that sufficient information is not overlooked at time of case execution/closure.

D. The uniform FMS case folder, as outlined in Section 602, depicts those documents considered to be of primary relevance on a DoD/joint-service basis. It is recognized that there may be additional documents which a DoD Component may want included as part of the case file. The inclusion of such documents is encouraged and it is recommended that the documents be filed in the form of numbered appendices following in sequence after the lettered tabs.

E. The value of the uniform FMS case folder, aside from the limited audit aspect, is that it ensures a uniform and systematic approach to case file maintenance and, with the proper management attention, can serve as a checklist of planned and completed actions and thereby facilitate the case management/closure process. Further, the existence of such a file would facilitate supervisory reviews and should ease the transfer of ongoing FMS case management responsibilities, e.g., during time of personnel transfers and internal workload realignments.

**060103. Responsibilities.** Each DoD implementing agency and the Security Assistance Accounting Center shall be responsible for maintaining their respective portions of the FMS case file in the manner prescribed in Section 602.

## **0602 UNIFORM FMS CASE DOCUMENTATION**

**060201. Documentation Requirements.** The documentation outlined in the following tabs is the minimum required for complete and efficient FMS case management.

### **A. Tab A (General Information Cover Sheet).** Contents:

1. Case identifier.
2. Cognizant personnel (names and phone numbers for ease of reference. Show dates of tenure if responsibilities shift from one individual to another during the life of the case).

a. Case negotiation action officer

b. Country/case manager at:

(1) Systems Command HQ, e.g., the Case Administering Office.

(2) International Logistics Control Office (ILCO).

(3) Security Assistance Accounting Center.

c. Others (as required).

(1) Inventory/Item Manager focal point.

(2) Procurement Office focal point.

3. Key case planning milestones are shown in Table 602-1.

### **B. Tab B (Letter of Request Information).** Contents:

1. Letter of Request (LOR) for Price and Availability (P&A) Data--if relevant to the eventual Letter of Offer and Acceptance (LOA).

2. Pricing data used in the preparation of an LOA.

3. Information/correspondence relative to any preliminary inquiry.

### **C. Tab C (Planning Information).** Contents:

1. P&A Data--relative to the FMS case.

2. LOA Data used to prepare the LOA format.

a. Tasking letters.

b. Internal memoranda/worksheets.

c. Financial Analysis and Termination Liability Reserve Data, if applicable.

d. Methodology of computing the payment schedule reflected in the LOA.

3. Response(s) to foreign purchaser--if initially presented in a format other than a DD Form 1513.

### **D. Tab D (Security Assistance Survey Documentation).** Contents:

1. Defense Requirements Survey Report (or cross-reference to where such report is located).

2. Site Survey Report (or cross-reference thereto).

### **E. Tab E (FMS Contractual Instruments).** Contents:

1. Letter of Intent (DD Forms 2012 and 2012-1).

2. Letter of Offer and Acceptance (LOA).

3. Amendment to Offer and Acceptance.

4. Modification of Letter of Offer and Acceptance.

5. Any Memoranda of Understanding (MOU) or Memoranda of Agreement (MOA) relating to the above instruments.

6. Correspondence relative to internal review/coordination.

a. Congressional notification documentation.

b. Letter forwarding advance, unsigned LOA to purchaser while awaiting Congressional review.

c. Letter of Transmittal of counter-signed LOA.

7. Correspondence/letters of transmittal to purchaser and acceptance of DD Form 1513.

F. Tab F (Credit/Loan Arrangements). Contents: Include, as necessary, for FMS case management, copies of Loan Agreements, requests for special waivers from routine loan conditions, etc.

G. Tab G (Financial Control Documents). Contents:

1. Request/Approval of FMS Obligational Authority (DD Form 2060, or automated system equivalent).

2. FMS Planning Directive (DD Form 2061, or automated system equivalent).

3. Expenditure Authorizations.

4. Documentation concerning DoD Component internal delegations of obligational and expenditure authorizations.

5. Final DIFS Financial Management Worksheet.

H. Tab H (Implementation Directives). Contents:

1. FMS Program/Case Directives, Program Management Plans, Implementing Project Directives, Implementation Letters, etc.

2. Amendments/updates to the above documents.

I. Tab I (DSAA 1200 System Updating Documents). Contents: Include copies of worksheets or other evidence that the DSAA 1200 System has been updated at the appropriate times.

J. Tab J (Execution Documentation). Contents:

1. Purchase Requests.

2. USG contracts with commercial vendor.

3. Work requests.

4. Military Interdepartmental Purchase Requests (MIPRs).

5. Internal billing documentation, e.g., Standard Form (SF) 1080, DD Form 250, TDY orders/vouchers, etc.

6. Requisition/document control listings, e.g., Quarterly Requisition Report (QRR), etc.

7. Invitational Travel Orders.

K. Tab K (Special Logistics Documents). Contents:

1. Cooperative Logistics Supply Support Arrangements (CLSSA)--Foreign Military Sales Order (FMSO) I Equity Listing.

2. Concurrent Spare Parts (CSP) Listing.

3. Other, e.g., USAF AFLC SAMIS local management reports, etc.

L. Tab L (Accessorial Charges). Contents: Include applicable documentation to substantiate the reporting of actual, in lieu of using the estimated percentage, PCH&T rates.

M. Tab M (Government Furnished Materiel). Contents:

\*Note: The inclusion of government furnished materiel (GFM) as part of an FMS case requires special attention from a financial standpoint inasmuch as the GFM becomes a part of the major item being procured. Accordingly, unless this information is included as part of another tab, this tab should contain documentation as follows.

1. Listing by contract number of contracts under which GFM can be requisitioned by contractors.

2. Listing, by requisition/document numbers, of GFM.

3. Worksheets/back-up data showing that Defense Transportation System (DTS), and Packing, Crating and Handling (PCH&T) for other than stock fund/Defense Business Operations Fund items have been added to the base price of GFM.

N. Tab N (FMS Billing Documentation). Contents:\*

1. FMS Billing Statement (DD Form 645), and FMS Delivery Listing and financial forecast attachments. (Note: Reply to customer requests for adjustments filed in subsequent tab.)

2. SAAC-prepared Command Pay Listing (if and when filed in case file folder).

3. SAAC-prepared Financial Management Worksheets.

4. Documentation/Listings relating to delivery transactions.

5. Local SAAC worksheets/correspondence: in SAAC-maintained case file folder appendices.

6. Correspondence related to DFAS authorized exceptions to normal billing procedures.

\*Note: The detailed nature and size of these and other listings may make their filing in the case folder impractical. In such instances, it is sufficient to have a local record/checklist, showing that the listings have been reviewed as necessary to monitor progress, detect errors, etc.

O. Tab O (Discrepancy Reports). Contents:

1. Reports of Discrepancy (SF 364).

2. Correspondence/documentation relative to such discrepancies.

3. SAAC-prepared reply to customer requests for adjustments listing.

P. Tab P (Management Reviews). Contents: Include the minutes and other correspondence stemming from an FMS Implementation Review, Country Program/Case Review, FMS Financial Management Review, etc.

Q. Tab Q (Case Closure Documentation). Contents:

1. DoD Component's case closure certification to SAAC. (Note: Final DD Forms 2060/2061 should be on file in "Financial Control Documents" tab.)

2. Correspondence with SAAC or other organizations relative to above certification.

3. Final Billing Statement (DD Form 645).

4. Correspondence resulting from the Case Closure Board.

5. Case Closure Checklist Sheet (for DoD implementing agencies) shown in Table 602-2.

6. Case Finalization Certificate for cases using the accelerated case closure procedures.

7. Directory for location of stored case records.

R. Tab R (Reopened Case Documentation). Contents:

Note: This tab is only operative if the case, once officially closed, must be reopened.

Documentation would include:

1. Correspondence/data as to why the case had to be reopened.

2. Refinalized DD Forms 2060/2061 (filed in "Financial Control Documents" tab).

3. Closure Certification.

4. Final Statement (DD Form 645).

**060202. Documentation Maintenance and Disposition**. The documentation will be accumulated throughout the life of the case as events occur (e.g., P&A completed, LOA accepted, contract signed, etc.) through case closure. Military Departments can retire, not destroy, closed case file records to record holding areas upon receiving a copy of SAAC's final statement (DD Form 645) to the FMS customer and the case is closed by SAAC and the MILDEP. SAAC can retire, not destroy, closed case file records no earlier than three years from the date of last correspondence with the customer.

**TABLE 602-1 KEY CASE PLANNING MILESTONES**

| <u>Event</u>  | <u>Date of Completion</u> |               |
|---|---------------------------|---------------|
|   | <u>Planned</u>            | <u>Actual</u> |
| LOR acknowledged  | _____                     | _____         |
| DD Form 2061 completed  | _____                     | _____         |
| P&A completed   | _____                     | _____         |
| LOA prepared  | _____                     | _____         |
| LOA countersigned/mailed<br>to purchaser  | _____                     | _____         |
| LOA accepted by purchaser   | _____                     | _____         |
| DD Form 2060 (Request for<br>Budget Authority) approved<br>by SAAC                                | _____                     | _____         |
| LOA implemented   | _____                     | _____         |
| LOA lines/RSNs delivery<br>complete (delivery<br>transactions with estimated<br>prices submitted) | _____                     | _____         |
| 001   | _____                     | _____         |
| 002   | _____                     | _____         |
| 003   | _____                     | _____         |
| etc.  | _____                     | _____         |
| LOA lines/RSNs financially<br>complete (delivery<br>transactions<br>with actual prices submitted) | _____                     | _____         |
| 001   | _____                     | _____         |
| 002   | _____                     | _____         |
| 003   | _____                     | _____         |
| etc.  | _____                     | _____         |
| Final DD Form 2060 forwarded<br>to SAAC   | _____                     | _____         |

**TABLE 602-1 KEY CASE PLANNING MILESTONES (CONTINUED)**

| Event (Continued)  | <u>Planned</u> | <u>Actual</u> |
|--|----------------|---------------|
| FMS Financial Management Worksheet from SAAC and reconciled to case manager record | _____          | _____         |
| Case closure certificate with DD Form 2061 forwarded to SAAC                       | _____          | _____         |
| Case closed (placed in inactive status)(Final DD Form 645 to purchaser)            | _____          | _____         |
| Case finalization certificate with DD Form 2061 forwarded to DFAS-DE/I (Note 1)    | _____          | _____         |
| Case finalized (Note 1)  | _____          | _____         |
| Case records retired (Identify location of records)                                | _____          | _____         |

Note 1: Applies only to cases utilizing accelerated case closure procedures



TABLE 602-2 CASE CLOSURE CHECKLIST SHEET

| <u>Action</u>   | <u>Date<br/>Completed</u> |
|---|---------------------------|
| • Verify there are no valid unfilled requisitions.  | _____                     |
| • Verify all items have been delivered/shipped,<br>all services performed, and reported to SAAC<br>including: | _____                     |
| a. GFM (basic items, DTS and PCH).  |                           |
| b. Actual accessorial (PCH&T) charges: (where applicable)   |                           |
| • Verify DSAA 1200 System has been updated to reflect<br>supply complete status.                              | _____                     |
| • Verify outstanding RODs processed.  | _____                     |
| • Verify financing appropriations reimbursed.   | _____                     |
| • Verify Case Closure Certificate submitted to<br>SAAC.   | _____                     |
| • Verify final DD Forms 2060/2061 submitted<br>to SAAC.   | _____                     |
| • Verify final DD Form 645 received from SAAC.  | _____                     |
| • Verify records retired: Identify location of all<br>supporting documentation. <sup>1</sup>                  | _____                     |
| • Verify all accounting records are final.  | _____                     |

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<sup>1</sup>Documentation can be hardcopy, magnetic tape, etc.

## CHAPTER 07

PRICING0701 INTRODUCTION

**070101. Objectives.** The objective of this chapter is to establish policies and procedures that shall ensure that DoD Components uniformly and consistently apply pricing principles and methodologies that recoup current period costs and a reasonable contribution to sunk investment costs. Sunk investment costs represent historical decisions to expend R&D funds to develop new equipment or to purchase assets or facilities. Although the original investment decision was based entirely on DoD requirements, FMS customers benefit from the investment decision when they purchase related equipment, or use of the assets and facilities is necessary in order to provide ordered services or to deliver ordered materiel. Questions concerning Chapter 7 should be referred to DoD Deputy Comptroller (Management Systems).

**070102. Responsibilities.** DoD Components selling materiel or services under authority of the AECA [reference (a)] shall:

A. Ensure that materiel and services provided to FMS customers are priced in accordance with the policies established in this chapter.

B. Make reasonable effort to ensure that price estimates provided to FMS customers are a reasonable approximation of the final price. However, the fact that an estimate is not consistent with the final cost accumulation does not negate the requirement to establish a final price (actual cost) in accordance with this chapter.

C. Establish a single selling price for any item sold, unless DSAA has authorized provision of more detailed cost information to an FMS customer. When appropriate, the item price shall include the additive charge for nonrecurring RDT&E and production costs, recurring procurement support efforts, transportation costs when the DTS is approved and used, etc.

D. Present prices of defense articles and services to FMS customers in the format of FMS Letters of Offer and Acceptance and, in general, use the LOA unless a waiver is obtained from the Director, DSAA, to use a suitable substitute instrument. Any substitute instrument should contain the same cost elements as those identified on the LOA. The administrative surcharge percentage prescribed in this chapter is subject to change without prior approval of the customer; therefore, the percentage (for example, 3 percent) should not be indicated on the LOA.

E. Cite directly the FMS Trust Fund (97-11X8242) on contractual documents for new procurements initiated as a result of FMS orders, unless the provisions of paragraph 010402 apply. In the event it is necessary to accomplish new procurement on a reimbursable basis, the procuring DoD Component shall obtain obligational authority from the FMS Trust Fund. Payment to contractors for the FMS portion of contracts may not exceed the amount of cash deposited by the FMS customer in the FMS Trust Fund in advance of the payment.

F. The direct cite procedures set forth in subparagraph E., above, shall be used when major items are procured for FMS customers, unless an exception has been granted by the Comptroller, DoD.

G. For other than Defense Business Operations Fund materiel, ensure that transportation of materiel sold to FMS customers is accomplished through the use of collect commercial bills of lading to the maximum possible extent. When transportation is accomplished through the use of Government Bills of Lading (GBLs) including Defense Business Operations Fund materiel, the GBL shall be annotated to show that Section 10721 of the Interstate Commerce Act of 1887 [reference (m)] is not applicable and that normal commercial rates shall be billed to the U.S. Government for the shipment.

★H. Assign a case manager to each active FMS case. This case manager shall be responsible for the total financial and logistical aspects of the case. This includes ensuring that prescribed pricing policies are followed and that delivery transactions have been processed to SAAC. This case manager shall be responsible for reconciling the FMS case financially and logistically on at least an annual basis, preferably on the anniversary of each major FMS case. The case manager's authority to direct other supporting activities shall be commensurate with these responsibilities. The case manager shall be located at a national inventory control point or command having the primary responsibility for implementing the case. Refer to Chapter 7 of DoD 5105.38-M [reference (e)] for additional discussion on case management responsibilities.

I. Price sales to the Special Defense Acquisition Fund (SDAF) in accordance with the provisions of this chapter with the exception of the charge for nonrecurring costs. Activities reporting the sale of SDAF assets to SAAC will apply nonrecurring recoupment costs to the FMS price charged to the SDAF at the time of the sale to a foreign purchaser (see section 717).

J. Those situations in which the USG "buys back" items from foreign nations initially sold under FMS programs are not considered FMS transactions. Once items are sold, any "buy back" is outside of the FMS program and must be conducted in accordance with procurement rules involving the obligation of DoD appropriations. Monies due as a result of such procurement may be paid by the DoD paying office into the Trust Fund in accordance with the foreign country's instructions.

**070103. Estimating Prices for a Letter of Offer and Acceptance.**

A. The pricing policy of this chapter specifies how costs are to be determined at the time the FMS customer is billed. This policy also provides an indication of how a price estimate is to be developed for the Letter of Offer and Acceptance. An essential difference between the billed price and the estimated price on an offer is the degree of firmness associated with each. On the FMS Billing Statement (DD Form 645), the price, particularly at that point in time in which actual costs are known and reported to SAAC, should be firm and exact (the exception being "E"

(Estimated) price code transactions). The billed cost (except when a rounded dollar indicator code is utilized) is detailed in dollars and cents. On the LOA, it is to be a reasonable approximation of the amount which will ultimately be billed, with OSD inflation indices and other factors considered. Typically the analyst must make certain assumptions in order to develop the estimated price. Amounts to be placed on the LOA will be rounded to the next dollar. Cases are written as either defined order, blanket order, or Cooperative Logistics Supply Support Agreement (CLSSA). Pricing for each requires special treatment. Moreover, a case may involve lines which are defined order or blanket order while CLSSA cases have no other lines.

1. Defined Order. Cases for specified items, services, or training usually are written with regard to systems which the U.S. forces are procuring or have procured. Agencies involved in procuring these systems should have available estimates of the expected costs. These estimates may be used as the basis for developing the FMS price, but must be validated for configuration and for delivery. Applicable additives detailed in other sections of this chapter must be applied. When a price estimate must be inflated for delivery of a weapons system several years in the future, use OSD published inflation indices. If other factors apply, those factors must be documented in case files and justified for Comptroller, Department of Defense approval when submitting Letters of Offer to the Defense Security Assistance Agency for counter signature. When developing an estimate for weapon systems in different configurations than those for which service estimates are available, it is advisable to try to obtain contractor estimates at the contract level required to identify the difference. See "Military Standard 881A Work Breakdown Structures for Defense Materiel Items" for the definition of these levels.

2. Blanket Order. These dollar-value cases (or lines incorporated in system sales cases) are written for a category of materiel or services with no definitive listing of items or quantities. For hardware support items, the price developed may be based on either a computer listing of specified parts, or a percentage of the cost of the major system to be supported. In other instances, the price on the LOA may

simply be a dollar-value line to enable the customer to requisition such items as publications. In this latter case, the amount written into the offer will be dependent on the estimated activity in the country's program. In developing a price for LOA purposes where a blanket order is involved, the source of supply may not be known. In this case, certain assumptions must be made. For example, in writing a blanket order case for spare parts for an aircraft, an agency may have to assume that all items will come from stock and each item will be less than \$10,000. Except for stock fund/Defense Business Operations Fund items, this may allow the analyst to apply the full packing, crating, and handling, and transportation charges (NOTE: These two charges are already included in the standard price for stock fund/Defense Business Operations Fund items). However, at the time of the billing for delivery of an item charged to the case, the appropriate surcharge will be applied in accordance with Chapter 8. Those agencies that have developed an ordering history for certain countries or weapon systems may be able to develop a ratio of items from procurement and items from stock which enables a more precise application of surcharges for the estimate. When developing a price for items to be delivered beyond the period for which pricing data is available, it will again be necessary to apply inflation factors as in defined order cases. One exception to consider is that once the inflated item price is developed, then apply the FMS replacement surcharge for annual procurement appropriation items to insure that the estimate foresees all additives.

3. Cooperative Logistics Supply Support Arrangement cases may be priced as in subparagraph B. See Section 707 of this Volume for specific guidance.

B. Individuals involved in preparing LOAs must keep in mind how performance or a request for reimbursement is going to be reported to SAAC following acceptance of the offer by the FMS customer. The implementing agency must be able to determine the cost to be billed based on the provisions of this chapter. This task can be particularly difficult when more than one activity is involved in fulfilling the requirements of a line or Record Serial Number (RSN)

of a case. The activity preparing the delivery transactions must be aware of all of the costs they are to report and also the costs that will be added by SAAC in accordance with paragraph 080501 of this Volume. Cases involving items which must be shipped to one or more activities before final shipment to the FMS customer can require several delivery transactions in order to account for all costs. Cases involving major procurements may result in a large volume of progress payments being submitted. These are necessary to ensure that the cost balances are adequate to cover costs as they are incurred. The tables in this chapter and Chapter 8 illustrating these reports must be studied carefully to insure all costs are correctly reported.

#### 070104. Legal Background

A. General. Section 1 of the AECA [reference (a)] provides that sales are approved only when they will further the security objectives of the United States and the purpose and principles of the United Nations Charter.

#### B. Pricing Requirements

1. Price of Services and Stock. Section 21(a) of the AECA [reference (a)] provides that a foreign country or international organization pay in U.S. dollars:

a. In the case of a defense article not intended to be replaced at the time a sales agreement is entered into, not less than the actual value thereof.

b. In the case of a defense article intended to be replaced at the time a sales agreement is entered into, the estimated cost of replacement of such article, including the contract or production costs less any depreciation in the value of such article.

c. In the case of a sale of a defense service, the full cost to the United States Government of furnishing such service, unless the service is training provided under the terms in subparagraph 3.a. below in which case, only the additional costs that are incurred in furnishing such assistance are to be recovered.

2. Charges Applicable to Services, Stocks, and New Procurements. Section 21(e) of the AECA provides that the selling price shall include appropriate charges for:

a. Administrative services, calculated on an average percentage basis to recover the full estimated costs (excluding unfunded civilian retirement costs, military salaries and a pro-rata share of fixed base operations costs) of administration of sales made under the Act to all purchasers of such articles and services.

b. A proportionate amount of any nonrecurring costs of research, development and production of major defense equipment, except of equipment wholly paid for either from U.S. military assistance funds, Section 503(a)(3) of the Foreign Assistance Act of 1961, or from U.S. credit funds made available on a non-repayable basis under Section 23 of this Act.

c. The recovery of ordinary inventory losses associated with the sale of defense articles that are being stored at the expense of the purchaser of such articles.

3. Training Price Exceptions to Section 21(e). Under certain conditions less than the full cost of training may be charged:

a. In the case of training sold to a purchaser who is scheduled to receive International Military Education and Training (IMET) during the same fiscal year in which the sale of training is made, only those additional costs that are incurred by the United States Government in furnishing the training shall be charged.

b. Section 21(g) of the AECA [reference (a)] authorizes the President to enter into North Atlantic Treaty Organization standardization agreements in carrying out Section 814 of the Act of October 7, 1975, (P. L. 94-106), and to enter into similar agreements with Japan, Australia, New Zealand, and with other countries which are major non-NATO allies for the cooperative furnishing of training on a bilateral and multilateral basis, if the financial principles of such agreements are based on reciprocity.

Such agreements shall include reimbursement for all direct costs but may exclude reimbursement for indirect costs, administrative surcharges, and costs of billeting of trainees (except to the extent that members of the United States Armed Forces occupying comparable accommodations are charged for such accommodations by the United States). Each such agreement shall be transmitted promptly to the Speaker of the House of Representatives and the Committees on Appropriations, Armed Services and Foreign Relations of the Senate.

4. Price of New Procurement. Section 22(a) of the AECA [reference (a)] requires eligible countries or international organizations to pay the full amount of the contract and any damages and costs that may accrue due to the cancellation of such contracts when the U.S. Government enters a contract for a new procurement on their behalf. Payment to the USG by the foreign country or international organization is to be in U.S. dollars.

5. Interest. Section 21(d) and 22(a) of the AECA [reference (a)] require that interest be charged on any net amount by which a country or international organization is in arrears under all of its outstanding unliquidated dependable undertakings considered collectively. The interest charged shall be at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding short-term obligations of the United States as of the last day of the month preceding the net arrearage and shall be computed from the date of net arrearage.

6. Price of Design and Construction Services. Section 29 of the AECA [reference (a)] requires foreign countries or international organizations to pay the full cost of design and construction services and any damages and costs that may accrue due to the cancellation of such contracts when the U.S. Government enters into a contract for design and construction services on their behalf.

C. Cost Recoupment Waivers and Exclusions

1. Waiver of Nonrecurring Cost Recoupment Charges. Section 21(e)(2) of the AECA [reference (a)] provides the President may reduce or waive the charge or charges which would otherwise be considered appropriate under paragraph 070104.C.2 for particular sales that would, if made, significantly advance United States Government interest in North Atlantic Treaty Organization standardization with the Armed Forces of Japan, Australia, or New Zealand, in furtherance of the mutual defense treaties between the United States and those countries, or foreign procurement in the United States under coproduction agreements. This authority has been delegated to the Director, Defense Security Assistance Agency (DSAA).

2. Special Waiver Authority for NATO E-3A. 10 U.S.C. 2350e [reference (n)] provides that the Secretary of Defense, in carrying out the Multilateral Memorandum of Understanding (MMOU) between NATO Ministers of Defense on the NATO E-3A Cooperative Programme, signed by the Secretary of Defense on December 6, 1978, the MOU for operation and support of the NATO Airborne Early Warning and Control Force signed by the US Ambassador to NATO on September 26, 1984; the addendum to the MMOU dated December 7, 1990; and any follow-on support agreement to the NATO E-3A Cooperative Programme may waive reimbursement for:

a. Personnel cost applicable to services performed by personnel other than personnel employed in the Airborne Warning and Control System (AWACS) program office for:

- (1) Auditing
- (2) Quality assurance
- (3) Codification
- (4) Inspection
- (5) Contract administration
- (6) Acceptance testing
- (7) Certification services

(8) Planning, programming, management services

b. Any surcharge for administrative services otherwise chargeable. The law also authorizes the Secretary to assume contingent liability for:

(1) Any program losses resulting from the gross negligence of any contracting offices of the United States.

(2) Identifiable taxes, customs duties, and other charges levied within the United States on the program.

(3) The United States' share of unfunded termination liability. The authority contained in section 2350e currently expires on September 30, 1993. DoD will continue to seek extension of that authority in accordance with the provisions of the MMOU.

3. Waiver of Contract Administration Services (CAS). Section 21(h) of the AECA [reference (a)] provides that the President is authorized to provide (without charge) quality assurance, inspection, contract administration services, and contract audit defense services in connection with:

a. The placement or administration of any contract or subcontract for defense articles, defense services, or design and construction services entered into after October 29, 1979, by, or under the AECA [reference (a)] on behalf of, a foreign government which is a member of NATO, if such government provides such services in accordance with an agreement on a reciprocal basis, without charge, to the United States Government.

b. The placement or administration of any contract or subcontract for defense articles, defense services, or design and construction services pursuant to the NATO Infrastructure Program in accordance with an agreement under which the foreign governments participating in such a program provide such services, without charge, in connection with similar contracts or subcontracts.

c. In carrying out the objectives of subsection 21(h) cataloging data and cataloging services may be provided to NATO or to a member government of NATO, if NATO or the member government provides such services without charge to the United States on a reciprocal basis.

d. The authority set forth in (a) and (b) to negotiate and conclude such agreements has been delegated to the Assistant Secretary of Defense (Acquisition & Logistics).

e. When a waiver has been approved, the cost of contract administration in support of the applicable effort shall be funded by a DoD appropriation. Billings for such actual costs shall not be submitted against the FMS Trust Fund.

f. Countries with waivers are listed in DoD 5105.38-M, Security Assistance Management Manual (SAMM)[reference (e)], Figure 1301-1.

#### 4. Special Waiver Authority for NATO Cooperative Projects.

a. Section 27 of the AECA [reference (a)] provides that the President may reduce or waive the charge or charges in connection with cooperative projects or agreements entered into under the authority of that section. The charges that may be reduced or waived are those that are otherwise considered appropriate under section 21(e) of the Act (see paragraph 070104.B.2. "Charges Applicable to Services, Stocks, and New Procurements", above) in connection with sales of defense articles and services from stocks or new procurements when the other participants agree to waive or reduce such charges.

b. Waiver authority of the President under section 27 has been delegated to the Director, DSAA.

c. Administrative surcharges shall not be increased on other sales made under the AECA [reference (a)] in order to compensate for any cost waivers which are granted pursuant to Section 27 of the Act. Funds

received pursuant to such other sales shall not be available to reimburse the costs incurred by the United States Government for which waiver or reduction is approved by the President under Section 27 of the Act.

#### 5. Waiver of Cost of Military Pay and Entitlements for Defense Services Funded by the Military Assistance Program (MAP) or Non-Repayable FMS Credit.

a. Section 503(a) of the FAA [reference (a)] of 1961, as amended, provides for elimination of the cost of military pay and entitlements if the sales case for defense services (including training) or for design and construction services is totally financed by the Military Assistance Program (MAP) or by non-repayable FMS credit.

b. Services provided under Sections 21, 22, or 29 of the AECA [reference (a)] shall be priced to exclude military pay and entitlements (including retired pay accrual) only for those cases citing MAP funds and/or FMS Credit (Non-repayable) as the exclusive method of funding on the LOA. This pricing applies when services are performed regardless of the date of the LOA. For MAP, the pricing applies to services provided after September 30, 1985; for non-repayable credit, the pricing applies to services provided after September 30, 1989. DSAA will commit MAP funds and non-repayable credits on all service cases that cite such funding prior to release to the country. Any subsequent amendment/modification serving to reduce the MAP or non-repayable credit funding below 100 percent shall require repricing to add military pay and entitlements to the entire case.

6. Exchange of Training and Related Support. Section 30.A. of the AECA [reference (a)] empowers the President to provide training and related support to military and civilian defense personnel of a friendly foreign country or an international organization. Such training and related support is specifically to be provided by a Secretary of a Military Department and only when the recipient foreign country or international organization agrees, pursuant to an agreement or other arrangement, to pro-

vide comparable training and related support on a reciprocal basis to personnel under the jurisdiction of the Secretary providing the training. The reciprocal training must be provided within a reasonable period of time which may not be more than one year. If such training is not provided, then the country or international organization receiving such training shall be required to reimburse the United States for the full costs of the training and related support provided by the United States.

7. Special Authorities. In connection with the administration of the European Air Defense Agreements, the Secretary of Defense is authorized under Section 132 of the International Security and Development Cooperation Act of 1985 [reference (a)] to (1) waive any surcharge for administrative services otherwise chargeable under Section 21(e)(1)(A) of the AECA [reference (a)], and (2) waive any charge not otherwise waived for services associated with contract administration for the sale under the Act of Patriot air defense missile fire units to the Federal Republic of Germany (FRG) contemplated in the agreements.

8. Fair Pricing. Under sections 21 and 43 of the Arms Export Control Act, charges for non-recurring costs are not required for foreign military sales cases wholly funded with MAP or non-repayable FMS credits. In addition, asset use charges are no longer applicable to FMS transactions. In addition, military salaries and unfunded costs of civilian retirement and other benefits are not included in the FMS administrative account. However, when such expenses are included in, or are a part of, the standard prices charged for goods and services furnished by working capital funds, a separate price shall not be established for sales from, or services furnished by, working capital funds in connection with FMS cases and the standard price shall be charged as is the case with all other sales and services furnished by working capital funds.

#### D. Payment Terms

1. Sales from Stock of Defense Articles and Services. Payment shall be made in advance, or if the President determines it to be

in the national interest, upon delivery of the defense article or rendering of the defense service. The authority to determine that payment upon delivery is in the national interest has been delegated to the Director, DSAA. If billings are made at delivery, they shall be due and payable upon receipt. Interest shall be charged on any net amount due and payable which is not paid within 60 days. The period may be extended to 120 days if a determination is made that emergency requirements of the purchaser for acquisition of defense articles or defense services exceed the ready availability to the purchaser of funds sufficient to pay in full for them within the 60 day period. If this is done, the determination must be submitted to the Congress along with a special emergency request for the authorization and appropriation of additional funds to finance such purchases.

2. Sales of New Procurement Items and Construction Services. Payment shall be made in advance of the need to meet contract payments required by the contract and any charges and costs that may occur from the cancellation of a contract.

3. Authorization and Appropriation of Emergency Funds. The President may issue letters of offer which provide for billing upon delivery of the defense article or rendering of the defense service and for payment within 120 days after the date of billing. This authority may be exercised, however, only if the President also determines that the emergency requirements of the purchaser for acquisition of such defense articles and services exceed the ready availability to the purchaser of funds sufficient to make payments on a dependable undertaking basis and submits both determinations to the Congress together with a special emergency request for authorization and appropriation of additional funds to finance such purchases under the Act.

4. Special Instructions Applicable to Section 23 (Credit Sales) and Section 24 (Guaranties) of the AECA [reference (a)]

a. Section 23 of the Act provides the authority to finance sales of defense articles and defense services to friendly countries and international organizations, subject to the



availability of appropriations for such purpose. The authority is a method for financing the payment terms set forth in 1 and 2 above. The customer must repay principal used within 12 years after the delivery of applicable articles or the rendering of the service. The interest charged shall be at a rate determined by the President, except that it may not be less than 5 per cent. Currently, such interest on any unpaid balance is paid at a rate equivalent to the current average interest rate, as of the last day of the month preceding the financing of such procurement, that the United States Government pays on outstanding marketable obligations of comparable maturity.

b. Section 24 of the Act provides the President may guarantee loans made by any individual, corporation, partnership, or other juridical entity doing business in the United States (excluding United States Government agencies other than the Federal Financing Bank) to finance FMS purchases or direct commercial purchases by friendly countries and international organizations. Funds previously obligated under Section 24(c) constitute a single reserve for the payment of claims under such guaranties. A fee of 1/4 of 1 percent is charged on each loan guaranteed.

#### 070105. Crediting of Earned Reimbursements

A. General. DoD appropriation/fund accounts or Miscellaneous Receipts Account 3041, "Recoveries Under the Foreign Military Sales Program," are entitled to reimbursement when DoD services or inventory items are sold under Section 21. An entitlement to reimbursement also results from Section 22 procurement actions if direct cite procedures for financing applicable contracts are not used. The general rule applicable to the sale of DoD services is that the financing account current at the time of performance is credited with applicable budget authority and subsequent cash collections. When items are sold from inventory, the financing account current at the time items are dropped from inventory is credited with applicable budget authority and subsequent cash collections. When appropriation/fund accounts are used to finance FMS procurements, the account current at the time the order is accepted is credited with

budget authority and subsequent cash collections.

B. Elements. The various cost elements which may be involved in performance of an FMS order and the accounts which are to be credited are shown in Table 701-1.

#### C. Special Defense Acquisition Fund

1. The International Security and Development Cooperation Act of 1981 enacted on December 29, 1981, [reference (a)] authorizes the establishment of a Special Defense Acquisition Fund (SDAF). The SDAF is capitalized by collections that normally would be deposited into Miscellaneous Receipts Account 3041. Deposits may consist of:

a. Collections made from sales under letters of offer issued pursuant to Section 21(a)(1)(A) of the AECA [reference (a)] representing the actual value of defense articles not intended to be replaced in stock under the terms and conditions of section 114(c)(2) of title 10 United States Code, which provide for the deposit of such collections provided that the deposit does not cause the amount in the SDAF to exceed \$1,070,000,000.

b. Collection from sales representing the value of charges for the proportionate recoupment of nonrecurring research and development and production costs.

2. The SDAF has been assigned account symbol 11X4116. A monthly report of disbursing officer credits to 11X4116 shall be provided to DSAA. Separate subheads shall be used under 11X4116 to identify the source of the collections. The subheads that apply are as shown in Table 701-2.

TABLE 701-1 COST ELEMENTS

| <u>Cost Element</u>  | <u>Account Credited</u>  |
|--|--|
| A. Services of military personnel:   |  |
| (1) Composite standard military pay rate   | Military Personnel (MP) Appropriation  |
| (2) Leave and holidays factor when applicable. See paragraph 070203.   | Military Personnel (MP) Appropriation  |
| (3) Personnel support costs Appropriation  | Operations and Maintenance (O&M)   |
| (4) Retirement cost prior to 1 Oct 84  | Miscellaneous Receipts Account 3041  |
| B. Services of Civilian Personnel:   |  |
| (1) Salary cost and wages  | O&M Appropriation; Research, Development, Test, and Evaluation (RDT&E) Appropriation; Industrial Fund (IF)/Defense Business Operations Fund, as applicable |
| (2) Leave and holidays factor when applicable. See para 070102   | O&M, RDT&E, IF, as applicable  |
| (3) DoD funded civilian retirement cost  | O&M, RDT&E, IF, as applicable  |
| (4) Health and life insurance and other employee e.g., fringe benefits   | O&M, RDT&E, IF, as applicable  |
| (5) Civilian retirement cost not funded by DoD appropriations  | Miscellaneous Receipts Account 3041  |
| C. Inventory Items:  |  |
| (1) Nonexcess Procurement Funded item which requires replacement   | Financing procurement appropriations as applicable, current at the time items dropped from inventory   |
| (2) Nonexcess Procurement Funded item that will not be replaced within the obligation availability of current procurement appropriations | Miscellaneous Receipts Account 3041 or Special Defense Acquisition Fund 11X4116.1, as applicable, see para. 070105.C.1.                                    |
| (3) Excess and Nonexcess Stock Fund/Defense Business Operations Fund items   | Defense Business Operations Fund   |
| (4) Excess procurement funded principal items  | Miscellaneous Receipts Account 3041 or 11X4116.2, as applicable, see para. 070105.C.1.   |

TABLE 701-1 COST ELEMENTS (CONTINUED)

|   |  |
|---|--|
| D. Nonrecurring cost recoupment charges<br>(Collected as a result of Foreign<br>Military Sales or direct commercial<br>sales) | Miscellaneous Receipts Account 3041 or<br>11X4116.3, as applicable, see para. 070105.C.1.  |
| E. Transportation   | Financing appropriation/fund current at<br>the time transportation is provided   |
| F. Logistics Support Charge   | MP, O&M, RDT&E, or Defense Business<br>Operations Fund current at the time<br>services are performed or Miscellaneous<br>Receipt Account 3041, as applicable.  |
| G. Royalty fee charges  | Miscellaneous Receipts Account 3041 or<br>11X4116.3, as applicable, see para. 070105.C.1.  |
| H. Charges for the use of DoD assets (includes<br>depreciation on purchased equipment)  | Miscellaneous Receipts Account 3041 or<br>11X4116, as applicable, see para.<br>070105.C.1. Depreciation which is included<br>in Industrial Fund (IF)/Defense Business<br>Operations Fund shop rates shall<br>be retained by the IF/Defense Business<br>Operations Fund |
| I. FMS contract costs financed by DoD<br>appropriation or fund accounts   | Financing procurement appropriation or<br>Defense Business Operations Fund as<br>applicable  |
| J. TDY costs financed by appropriation or<br>fund accounts  | O&M and RDT&E appropriations cur-<br>rent at the time travel is performed, or<br>IF, as applicable   |
| K. Accessorial Surcharge:   |  |
| (1) Packing, crating, and handling (PC&H)   | O&M appropriation current at the time<br>services are performed, or IF, as applicable  |
| (2) Transportation  | O&M appropriation current at the time<br>transportation is provided, or IF, as<br>applicable   |
| L. FMS administrative surcharge (This is a<br>combination of cost elements A., B., and J.)                                    | MP, O&M, RDT&E, or IF current at<br>the time services are performed or<br>Miscellaneous Receipts Account 3041,<br>as applicable  |
| M. Contract Administration Services (This is a<br>combination of cost elements A., B., and J.)                                | MP, O&M, IF, or Miscellaneous<br>Receipt Account 3041, as applicable   |

**TABLE 701-1 COST ELEMENTS (CONTINUED)**

|   |   |
|---|---|
| N. Interest charge resulting from late payment of billings (DD Form 645, "Foreign Military Sales Billing Statement") for accrued expenditures | Miscellaneous Receipts Account 3210, General Fund Proprietary Receipts, Defense Military not otherwise classified |
| O. Mailing fee, storage and publications  | O&M or revolving fund, as applicable  |
| P. Inventory losses   | Applicable procurement or revolving fund, as applicable   |

Note: DoD Components shall maintain internal records of the dollar amounts applicable to each category of collections deposited into Miscellaneous Receipts Account 3041. One decimal subaccount will be required for each type of collection. For example 3041.3 might be used to designate dollar amounts applicable to nonrecurring cost recoupment, including royalty fees, as a result of direct commercial sales.

**TABLE 701-2 SPECIAL DEFENSE ACQUISITION FUND ACCOUNT SYMBOLS**

| <u>Basic Symbol/Limit</u> | <u>Source of Collections</u>   |
|---------------------------|--|
| 11X4116.1XXX              | Nonexcess procurement funded items which will not be replaced within the obligation availability of current procurement appropriations. (See paragraph 70105.C.1.a., this Volume, which pertains.) |
| 11X4116.2XXX              | Excess stock fund/Defense Business Operations Fund and procurement funded items. (See paragraph 070105.C.1.a., this Volume, which pertains.)   |
| 11X4116.3XXX              | Nonrecurring RDT&E and production charges, including royalty fees.   |
| 11X4116.7XXX              | Payments from FMS or MAP funds for sale of SDAF equity in contracts and inventories.   |
| 11X4116.8XXX              | Payments from MILDEP appropriations for SDAF items transferred to the MILDEP for temporary use and which are not returned to SDAF.   |

**0702 PRICING OF PERSONNEL SERVICES**

**070201. General.** Except for those costs which may be excluded from charges in certain cases which were discussed in preceding paragraphs, charges to the FMS program for DoD personnel, except for those assigned to DoD training installations or performing contract administration, shall be computed in accordance with this section. This includes personnel costs recouped as direct charges, that is, special management services, mobile training teams (MTTs), technical assistance teams (TATs), or technical assistance field teams (TAFTs). It also includes personnel costs that are recouped indirectly through the administrative surcharge. The calculation of personnel costs shall include travel time, both temporary duty travel and permanent change of station, when the travel directly results from performance of an FMS case. The actual hours of personnel supporting foreign commercial contracts shall be accumulated and priced at the hourly FMS rates prescribed annually by the Office of the Comptroller, DoD memorandum. This memorandum is usually issued in October or November. When industrially funded/Defense Business Operations Fund personnel are utilized other than at the industrial fund site, price civilian personnel using the current annual salary and appropriate acceleration factors without overhead costs.

**070202. Civilian Personnel.** Services performed by DoD civilian personnel shall be priced at standard pay rates in effect at the time the services are performed. Tables in Appendix C contain the general schedule pay rates. The standard pay rates shall be accelerated to recover the funded cost of the U.S. Government's contribution for civilian employee benefits, such as retirement, insurance and health plans, cash awards, and, where applicable, the U.S. Government's share of social security taxes and leave and holidays. Acceleration factors are reviewed by the Office of the Comptroller, DoD and adjusted as appropriate through memoranda. Factors in effect at the date of this publication are listed on the pay tables at Appendix C. Civilian personnel costs shall be based on an average work week of 40 hours. The indicated percentages at the bottom of the tables (or the factors in effect at the time of services, if not in

those tables inclusive time periods) shall be used for acceleration factors. The acceleration factor for leave and holidays shall be applied only when reimbursements are based on time actually worked, that is, when the foreign country does not otherwise pay for costs incurred during leave or holiday periods. See paragraph 070104.C.8. for the impact of "Fair Pricing" legislation on civilian personnel services in calculating charges for administrative services under section 21(e) of the Arms Export Control Act [reference (a)]. Pricing is illustrated in Table 702-1.

**070203. Military Personnel**

A. Military personnel services shall be priced using the composite standard pay rates current at the time services are performed. Tables in Appendix C contain the annual pay rates. Monthly, daily, or hourly rates can be obtained by multiplying the annual rate by the applicable factors shown at the bottom of the table.

B. Since fiscal year 1985, the annual composite standard military rates include the cost of retirement. However, these composite rates must be accelerated to recover the cost of other benefits. Leave and holiday costs are added when reimbursements are based on time actually worked, such as when the foreign country does not otherwise pay for the personnel costs incurred by the Department of Defense during leave and holiday periods. The additive amounts for retirement, leave and holidays, and other benefits are expressed as percentages of the composite standard pay rate and are listed as the acceleration factors beneath the composite rates in each table. Pricing computations are illustrated in Tables 702-2, 702-3, and 702-4.

C. For FY 1980 and the prior fiscal year, the composite standard rate shall also be increased by the appropriate permanent change of station (PCS) costs. PCS costs for these years are additive after any other increases for retirement, leave and holidays, and other benefits.

D. Beginning in FY 1981, PCS costs are included in the composite standard pay rates in the appropriate tables in Appendix C and are subject to the acceleration factors beneath the

pay tables. In situations where military personnel are required to make a PCS move to support an FMS case, the PCS rate shall be deleted from the composite rate and the actual PCS cost charged to the case. In the latter situation, the actual PCS cost is not subject to acceleration.

E. FMS cases which are fully financed with MAP funds and/or non-repayable FMS credits shall be priced to exclude the cost of salaries and entitlements of military members. This is effective in FY 86 for MAP-financed cases and in FY 90 for cases financed by non-repayable credits. This exclusion applies only to above-the-line costs and not to associated surcharges, e.g., military salaries included in the administrative surcharge, and the contract administration surcharge.

**070204. Indigenous Personnel.** Indigenous personnel services shall be priced at actual costs or at standard pay rates. Standard pay rates shall not be used when known to be less than actual costs. Both actual cost and the standard pay rate shall include an estimated amount to cover such benefits as sick leave, maternity leave, death, accident, unemployment, and retirement (separation) when such benefits are paid to indigenous employees or specifically required by the laws of the foreign government.

**070205. Travel and Living Allowances.** Travel, per diem, living allowance payments, and other entitlements to DoD personnel working on FMS cases shall be identical to the payments and entitlements of DoD personnel working on direct DoD mission assignments at similar locations. The FMS case shall be priced to include the amount paid to employees or centrally funded through authorized DoD entitlement programs.

**070206. Special Instructions Applicable to Industrial Funds/Defense Business Operations Funds.** Industrial fund/Defense Business Operations Fund facilities will charge applicable approved non-DoD stabilized inventory rates and prices for services in support of FMS cases except where special rates may be applicable.

**TABLE 702-1 CIVILIAN PERSONNEL SERVICES PRICE COMPUTATION EXAMPLE**

100 HOURS OF CIVILIAN EFFORT (GS-12)  
AT NAVY INSTALLATION IN JANUARY 1989

|  |                     |
|--|---------------------|
| Direct Labor Hours   | 100                 |
| FY 89 Hourly Rate (Fourth Step) (\$38,039/2087) <sup>1</sup> | <u>\$18.23</u>      |
| Direct Labor   | \$1,823.00          |
| Leave and Holiday Acceleration Factor (18%)                  | <u>328.14</u>       |
| Subtotal   | \$2,151.14<br>===== |
| Unfunded Retirement Factor (14.7%) <sup>2</sup>              | 316.22              |
| Fringe Benefits Factor (15.8%) <sup>3</sup>                  | <u>339.88</u>       |
| Pay Cost and Cost of Acceleration Factors                    | \$2,807.24          |
| 4% Asset Use Charge <sup>4</sup>                             | <u>112.29</u>       |
| FMS Selling Price <sup>5</sup>                               | \$2,919.53<br>===== |

<sup>1</sup> To compute the hourly pay rate for FY 84 and beyond, divide the general pay by 2087 hours. For prior years, use 2080 hours.

<sup>2</sup> Credit the unfunded portion of civilian retirement to Miscellaneous Receipts Account 3041.

<sup>3</sup> The fringe benefits factor includes the employer's share of retirement, health benefits, life insurance, etc.

<sup>4</sup> Credit to Special Defense Acquisition Fund or Miscellaneous Receipts Account 3041 as appropriate. Note: Asset use was canceled November 30, 1989.

<sup>5</sup> Administrative surcharge is additive to the selling price.

**NOTES:**

A. See Table 804-5 for billing.

B. For illustrative purposes the above example is based on costs and acceleration factors in effect for FY 1989. Refer to Appendix C or current Comptroller, DoD guidance for costs and acceleration factors to be used in the current year.

**TABLE 702-2 MILITARY PERSONNEL SERVICES PRICE COMPUTATION EXAMPLE**

200 HOURS EFFORT BY NAVY MILITARY PERSONNEL (O-4 AND E-7)  
AT CUSTOMER LOCATION IN JUNE 1984

|                                     |                   | <u>O-4</u>        | <u>E-7</u>          | <u>TOTAL</u>      |
|-------------------------------------|-------------------|-------------------|---------------------|-------------------|
| Direct Labor Hours                  |                   | 100               | 100                 |                   |
| Hourly Composite Pay Rate (FY 1984) |                   |                   |                     |                   |
| O-4 (\$47,040/2080)                 |                   | 22.62             |                     |                   |
| E-7 (\$27,948/2080)                 |                   | X                 | X 13.44             |                   |
| Composite Pay Cost                  |                   | \$2,262.00        | \$1,344.00          |                   |
| Leave and Holidays <sup>1</sup>     | 18.0%             | <u>407.16</u>     | 18.0% <u>241.92</u> |                   |
| Subtotal                            |                   | \$2,669.16        | \$1,585.92          |                   |
|                                     |                   | =====             | =====               |                   |
| Retirement <sup>1</sup>             | 33.0%             | 880.82            | 33.0% 523.35        |                   |
| Other Personnel Cost <sup>1</sup>   | 8.0% <sup>2</sup> | <u>213.53</u>     | 23.0% <u>364.76</u> |                   |
| Pay and Fringe Benefit Costs        |                   | <u>\$3,763.51</u> | <u>\$2,474.03</u>   | \$6,237.54        |
|                                     |                   |                   |                     | =====             |
| 4.0% Asset Use Charge <sup>3</sup>  |                   |                   |                     | -0-               |
| TDY Cost                            |                   |                   |                     | 2,000.00          |
| FMS Selling Price <sup>4</sup>      |                   |                   |                     | <u>\$8,237.54</u> |
|                                     |                   |                   |                     | =====             |

<sup>1</sup> Before September 9, 1983, the method of applying acceleration factors was to add all factors and apply a single percentage to pay cost. Refer to Appendix C or current Comptroller, DoD guidance for costs and acceleration factors to be used in current year.

<sup>2</sup> Credit to O&M or RDT&E, as applicable.

<sup>3</sup> Asset Use Charge is not applicable because service does not involve use of DoD facilities.  
Note: Asset use was canceled November 30, 1989.

<sup>4</sup> Administrative Surcharge is additive to the selling price.



**TABLE 702-3 MILITARY PERSONNEL SERVICES PRICE COMPUTATION EXAMPLE**

200 HOURS EFFORT BY NAVY MILITARY PERSONNEL (O-4 AND E-7)  
AT NAVY LOCATION<sup>4</sup> IN JUNE 1984

|  |                   | <u>O-4</u>        |       | <u>E-7</u>        | <u>TOTAL</u>      |
|--|-------------------|-------------------|-------|-------------------|-------------------|
| Direct Labor Hours   |                   | 100               |       | 100               |                   |
| Hourly Composite Pay Rate (FY 1984)                                  |                   |                   |       |                   |                   |
| O-4 (\$47,040/2080)  |                   | 22.62             |       |                   |                   |
| E-7 (\$27,948/2080)  |                   | X                 |       | X 13.44           |                   |
| Composite Pay Cost   |                   | \$2,262.00        |       | \$1,344.00        |                   |
| Leave and Holidays <sup>1</sup>                                      | 18.0%             | <u>407.16</u>     | 18.0% | <u>241.92</u>     |                   |
| Subtotal   |                   | \$2,669.16        |       | \$1,585.92        |                   |
|  |                   | =====             |       | =====             |                   |
| Retirement <sup>1</sup>  | 33.0%             | 880.82            | 33.0% | 523.35            |                   |
| Other Personnel Cost <sup>1</sup>                                    | 8.0% <sup>2</sup> | <u>213.53</u>     | 23.0% | <u>364.76</u>     |                   |
| Pay and Fringe Benefit Costs   |                   | <u>\$3,763.51</u> |       | <u>\$2,474.03</u> |                   |
| Temporary Duty (TDY) costs<br>(includes per diem and transportation) |                   |                   |       | 200.00            |                   |
| Total Costs  |                   | <u>\$3,763.51</u> |       | <u>\$2,674.03</u> | <u>\$6,437.54</u> |
| 4.0% Asset Use Charge <sup>3</sup>                                   |                   |                   |       |                   | 257.50            |
| FMS Selling Price  |                   |                   |       |                   | <u>\$6,695.04</u> |
|  |                   |                   |       |                   | =====             |

<sup>1</sup> Before September 9, 1983, the method of applying acceleration factors was to add all factors and apply a single percentage to pay cost. Refer to Appendix C or current Comptroller, DoD guidance for costs and acceleration factors to be used in current year.

<sup>2</sup> Credit to O&M or RDT&E, as applicable.

<sup>3</sup> Credit to SDAF or Miscellaneous Receipts Account as appropriate. Note: Asset use was canceled November 30, 1989.

<sup>4</sup> For purposes of charging asset use, the service location may be a CONUS/overseas USG-owned activity. Asset use applies to both personnel services and associated TDY costs in this example.

TABLE 702-4 MILITARY PERSONNEL SERVICES PRICE COMPUTATION EXAMPLE

1 YEAR OF ARMY MILITARY PERSONNEL (O-4 AND E-7) TO  
FMS CUSTOMER INSTALLATION (ALL PCS IN FY 86)

|  | <u>O-4</u>                    | <u>E-7</u>                    | <u>TOTAL</u>          |
|--|-------------------------------|-------------------------------|-----------------------|
| Yearly Composite Pay Rate <sup>1</sup><br>(FY1986) | \$66,137.00                   | 37,241.00                     |                       |
| Applicable Acceleration Factors <sup>2</sup>       |                               |                               |                       |
| Other Personnel Cost <sup>3</sup>                  | 6.0%                          | 18.0%                         |                       |
| Cost of Acceleration Factors<br>(less PCS Factor)  | 3,968.22<br><u>(2,928.00)</u> | 6,703.38<br><u>(1,065.00)</u> |                       |
|  | 1,040.22                      | 5,638.38                      |                       |
| Actual PCS to Installation -                       |                               |                               |                       |
| Round Trip Transportation<br>of Member and Family  | 10,000.00                     | 10,000.00                     |                       |
| Round Trip Movement of<br>Household goods          | 5,000.00                      | 5,000.00                      |                       |
| Living Allowances                                  | 6,000.00                      | 6,000.00                      |                       |
| FMS Selling Price <sup>4</sup>                     | <u>\$88,177.22</u>            | <u>\$63,879.38</u>            | \$152,056.60<br>===== |

<sup>1</sup> Beginning in FY 1981, PCS costs were included in the composite standard pay rate and must be deleted when actual PCS costs are applied. Beginning in FY 1985 military retirement was included in the composite pay rate.

<sup>2</sup> Refer to Appendix C or current Comptroller, DoD guidance for costs and acceleration factors to be used in current year.

<sup>3</sup> Credit to O&M or RDT&E, as applicable.

<sup>4</sup> Administrative Surcharge is additive to selling price.

**0703 CASH SALES OF DEFENSE ARTICLES  
ISSUED FROM STOCK**

**070301. General.** Section 21 of the AECA [reference (a)] authorizes the sale of defense articles from stock to eligible foreign governments and international organizations. These sales include all sale of items from DoD inventories, whether delivered from storage or from procurements that were initiated to maintain adequate DoD inventory levels. Procurements specifically for FMS requirements (excluding cooperative logistics supply support arrangements) may not be considered a sale from stock. Procurements initiated to replace stocks sold from DoD inventories are not FMS new procurements.

**070302. Sale Price of Nonexcess Materiel**

A. Nonexcess defense articles are assets within the approved force acquisition objective and approved force retention stock of all DoD Components as defined in DoD Directive 4100.37 [reference (o)]. Also included in the nonexcess category are articles procured in anticipation of military assistance or sales requirements as a result of cooperative logistics supply support arrangements, or pursuant to a military assistance or sales order. The selling price shall be determined when (1) a requisition is edited for shipment by the shipping activity, or (2) the Letter of Offer is prepared, if a firm price is determined in accordance with the provisions of paragraph 070303.

**B. Sale of Defense Business Operations Fund Items**

1. The selling price of Defense Business Operations Fund issues to FMS customers shall be the current Defense Business Operations Fund price. Shipments from inventory to non-Cooperative Logistics Supply Support Arrangement (non-CLSSA) customers and to CLSSA customers where requisitions are received in advance of achieved inventory stock levels shall be made only when on-hand serviceable inventories of the items being sold are above the item's reorder point on the day the item is dropped from inventory, except as indicated below (see Table 703-1).

2. The inventory manager with first level supervisor coordination may approve the issue of stocks below the reorder point to non-CLSSA customers when directed by the Director, DSAA, or when he or she determines that there will not be an unacceptable impact on U.S. forces or CLSSA customers.

a. If issuance was directed by DSAA and would impact adversely U.S. Armed Forces or CLSSA customers, the ICP shall identify the need for diversion and provide impact data through appropriate DoD Component channels to the Director, DSAA. DoD 5105.38-M, Paragraph 60003.E [reference (e)] provides additional details on processing such impact statements.

b. If it is imperative that stock be replaced through accelerated procurements and normal pricing policies will not adequately recoup replacement costs, an exception to DoD pricing policies shall be requested from Comptroller, DoD. Section 719 of this Volume provides guidance on exception requests. Normally, the exception would be to either add a replacement factor or delay final pricing until the contract for replacement items is financially complete.

3. Each Defense Business Operations Fund organization shall review annually the items under its control to determine if silver or other reclaimed precious metals were provided to the contractor as government-furnished materiel (GFM). A special FMS pricing table shall be established for those items that contain reclaimed precious metals. The price in the FMS pricing table shall be increased annually to reflect the June 30 market price of the precious metal. For example, if an item contains 10 ounces of reclaimed silver and the market price of silver on June 30 increased by \$6.00, then the item's selling price shall be increased by \$60.00.

4. If a customer returns a repairable Defense Business Operations Fund item for repair or replacement, overhaul service shall be priced in accordance with paragraph 070802. Under no conditions shall the customer be

granted a credit for this carcass which is to be applied against the selling price determined in subparagraph B.1, above. Credit would represent U.S. procurement of FMS customer-owned assets, and such procurements cannot be mingled with the FMS program.

5. As an invested participant, a CLSSA customer may return a fully serviceable reparable item to the Defense Business Operations Fund for credit, when the item is within the approved acquisition objective (AAO), providing the requirements of paragraph 070102.J. are met. The credit will only be issued after the item is received at the depot. Funds credited may be paid by the DoD paying office into the Trust Fund in accordance with the foreign customer's instruction.

C. Sale of Investment (Procurement Funded) Items. As indicated previously, when an item is sold from the stocks of the Department and that item is not intended to be replaced, except for amounts which may be credited to the Special Defense Acquisition Fund, the amounts received as payment for that item from the FMS customer are required to be deposited into the miscellaneous receipts of the Treasury under the provisions of 10 U.S.C. 114(c)(2). Therefore, in the case of such sales, it is necessary to decide whether an item will be replaced or not. An item may be replaced either "in kind" or with an improved model of the item sold. Thus, the sale of a C-130B and the replacement of that aircraft with a C-130B would be an "in-kind" replacement. The replacement of the aircraft with a C-130E would be a replacement with an improved model. Both of the cases would be a replacement. On the other hand, the sale of a C-130B and the substitution of a totally different kind of aircraft would not be a replacement. Similarly, the purchase of an upgrading or modification kit, would not be a replacement, even though the upgrade or modification would result in an end-item similar to ones being acquired or that could be acquired. For instance, the procurement from the proceeds of the sale of an M-1 Tank in the inventory of a modification kit to an M-1 Tank currently in the inventory to upgrade an existing M-1 to an M-1A Tank would not be a replacement even though the procure

ment of a new M-1A tank to replace the M-1 sold would be a replacement.

1. Investment Item Not to be Replaced. When an item is not to be replaced, the price of the item is not less than the actual value of the article. Except as provided in subparagraph b., this price is determined as follows:

a. When a determination is made that a procurement funded item will not be replaced, the price of the item shall be the most recent actual procurement cost of the "series" and "model" being sold, plus the cost of any modifications or improvements incorporated after production. Reductions to the sale price may be made when there is an actual difference in utility or desirability among units of issue of an item due to age or condition. The cost of the last major overhaul or outfitting accomplished before the sale date is added to the calculated price and is not reduced for age or condition. The overhaul costs will be pro-rated over the interval between the last actual overhaul and the next scheduled overhaul. If a future overhaul is not scheduled, the cost of the last overhaul will be prorated over the normal average interval between overhauls. If an overhaul schedule is not available, the most appropriate time span for that series and model should be used. In the case where actual costs are not available for the last overhaul, a reasonable estimate from the facility normally performing overhauls for the type of item to be sold may be used. In the case where a maintenance schedule has not been established, a period of at least five years should be used. An illustration of price computation is at Table 703-2. A request for waiver of the overhaul cost may be submitted to Comptroller, DoD, Accounting Policy, with a copy to the Comptroller, DSAA.

b. In the case of a naval vessel that is 20 or more years old, and 3,000 tons or less, section 21(a)(2) of the AECA [reference (a)] provides that the actual value is not less than the greater of the scrap value or the fair value (including conversion costs) as determined by the Secretary of Defense.

2. Investment Item to be Replaced. When a determination is made that an item is to be replaced, the price of the item is to be the estimated cost of the replacement, including the contract or production costs of the article less any depreciation in the value of the article. This price is determined as follows:

a. Determine the normal useful peacetime life of the item or equipment to be sold.

b. Determine the percentage of useful life remaining on the item.

c. Apply the percentage developed in paragraph C.2.b., above, to the estimated (or actual) cost of the replacement item. The resultant amount is the base cost to be used in the sale price calculation. Under no condition shall the sale price be lower than the scrap value plus the cost of the last major overhaul or outfitting accomplished within 24 months before the sale.

d. Examples of price computations are shown at Tables 703-3 and 703-4.

3. When a determination is made under subparagraph C.2, above, the FMS selling price on the Letter of Offer to the Purchaser shall be the best estimate available. However, once the item is dropped from inventory, a final bill shall be assessed the purchaser utilizing the best pricing information available if actual replacement procurement cost is not known. This shall be the final cost to the purchaser regardless of the actual cost of final replacement procurement. Inventory managers must realize that this prescribed pricing methodology may not result in a one for one replacement. If exact quantities are needed in inventory in order to maintain readiness, then the inventory manager must recommend FMS procurement and not approve a shipment out of stock.

D. Sale of Ammunition. The selling price of an ammunition item shall be the current standard price and any applicable nonrecurring cost recoupment charge for the item being shipped to the customer.

#### 070303. Quotation of Firm Prices

A. DoD Components are authorized to quote firm prices for items to be sold from stock and for in-house services to be furnished, pursuant to Section 21 of the AECA [reference (a)]. Such prices are not subject to further adjustment, provided the purchasing nation accepts the LOA before the expiration date. A firm price may be quoted only for:

1. An actual or estimated replacement price for a procurement funded end item, including ammunition, or major items to be sold from inventory as authorized in paragraph 070302.C.2, provided the price is based on budgetary data or contractor quotation.

2. A price for a procurement funded or major item developed under provisions of paragraph 070302.C.1. and 070304.

3. Training tuition rates (only for current year).

B. The objective of quoting firm prices is to minimize difficulties that might arise should prices undergo several revisions, due to budgetary decisions made subsequent to country acceptance of Letters of Offer. Firm prices may be quoted only after careful and coordinated development of such pricing data. Letters of Offer (other than for training) which specify firm pricing must be coordinated, at a minimum with the Military Comptrollers, DSAA, and the Office of the Comptroller, DoD.

C. All Letters of Offer authorized to be on a firm price basis shall include a note which specifies that pricing data presented are firm (except for changes authorized in paragraph 071006) and will not be changed, provided the country accepts the Letter of Offer before its expiration date.

#### 070304. Excess Materiel

A. Excess equipment shall be sold in an "as is" condition. Excess defense articles are assets in excess of the approved force acquisition objective and approved force retention stock of all DoD Components (see paragraph 070302 for

additional discussion). The cost of repairing, rehabilitating, or modifying such articles shall be computed in accordance with paragraph 070802. The selling price of excess materiel, exclusive of repair or modification costs, shall be the highest of (1) its market value (which includes nonrecurring costs as computed in paragraph 070305) as hardware, or (2) its scrap value plus nonrecurring costs and the last major overhaul costs incurred (the overhaul costs will be pro-rated over the interval between the last actual overhaul and the next scheduled overhaul. If a future overhaul is not scheduled, the cost of the last overhaul will be pro-rated over the normal average interval between overhauls. In the case where actual costs are not available for the last overhaul, a reasonable estimate from the facility normally performing overhauls for the type of item to be sold may be used. In the case where a maintenance schedule has not been established, a period of at least five years should be used. An example of computing these costs is illustrated at Table 703-5), or (3) its fair value (plus nonrecurring and pro-rated major overhaul costs) computed using the fair value rates contained in this subsection. A request for waiver of the overhaul cost may be submitted to the Office of the Comptroller, DoD (Accounting Policy), with a copy to the Comptroller, DSAA. Fair value rates are applied to the established inventory price and follow:

| Federal Condition Code<br>(See DoD 4160.21-M [reference (p)]<br>for specific definitions)  | Percent of Inventory<br>Price of Materiel |
|--|---|
| A-1 (serviceable, unused - good)   | 50  |
| A-4 (serviceable, used - good)   | 40  |
| A-2, A-5, B-1, C-1, D-1, B-4, C-4, D-4<br>(serviceable with qualification,<br>materiel is either unused in fair<br>condition; if used, in good condition).   | 30  |
| B-2, C-2, D-2, B-5, C-5, D-5, D-7, E-7,<br>F-7, G-7 (serviceable with qualification,<br>if unused in fair condition; if used, in<br>good condition). (Also includes unservice-<br>able items that are in good condition but<br>require minor repairs.) | 20  |

A-3, B-3, C-3, D-3, A-6, B-6, C-6, H-7, 10  
F-8 (serviceable, in poor condition;  
unserviceable, in poor condition; or  
unserviceable because item requires  
minor repairs).

D-8, H-8, D-9, H-9, F-9, F-X, G-X, 5  
H-X (unserviceable, requiring major  
repairs).

B. Illustrations of price computations  
are at Table 703-6, 703-7, and 703-8.

C. When accountability for excess  
items has been transferred to "Property Dispos-  
al," the provisions of DoD Instruction 7310.1  
[reference (q)] shall apply. This Instruction  
provides specific guidance in the disposition of  
amounts realized from the sale of such equip-  
ment.

D. A request for exception to estab-  
lished pricing policy of excess material for  
Foreign Military Sales will be submitted to the  
DoD Comptroller for approval with a copy to  
the Defense Security Assistance Agency. The  
request must address the following:

1. Whether the item has been  
screened for potential sale to customers and  
whether there is any existing customer interest at  
the price determined in accordance with the  
established pricing policy;

2. Whether the alternative  
proposed price is equal to or greater than the  
scrap value plus the established recoupment  
charge for DoD's nonrecurring costs;

3. Whether demilitarization costs  
will be incurred by the DoD if the item is sold  
and, if so, the estimated amount of such demili-  
tarization costs;

4. What the price to repair the  
item would be and its relationship, as a percent-  
age, to the original acquisition cost of the item;  
and

5. Whether the proposed sale has any other economic or political benefit to the DoD and/or the United States Government.

**070305. Charges for Nonrecurring Cost**

A. Non-USG purchasers shall pay a fair price, determined in accordance with DoD Directive 2140.2 [reference (r)], for the values of the DoD nonrecurring investment in the development and production of Major Defense Equipment, as required by law, unless a nonrecurring cost (NC) recoupment charge waiver has been approved by the DoD official designated in Section E of DoD Directive 2140.2. The policy in DoD Directive 2140.2 applies to Major Defense Equipment developed with U.S. Government funds. For FMS, an NC recoupment charge is applicable to all MDE. Major Defense Equipment is any item of Significant Military Equipment (SME) listed on the United States Munitions List having a DoD nonrecurring Research, Development, Test and Evaluation (RDT&E) cost accumulation of \$50 million or a total DoD production cost of more than \$200 million.

B. For determining the pro rata share of NC to be recouped, a cost pool methodology is used. The NC recoupment charge computation (nonrecurring RDT&E and nonrecurring production cost pools divided by benefiting units) are submitted to the Director, DSAA, for approval. The NC recoupment computation shall be supported with the MDE calculation worksheet illustrated at Table 703-9. A summary report on each MDE item shall be provided to DSAA following the report format at Table 703-10. The Director, DSAA, will review each DoD Component's calculations and publish the charge in the SAMM [reference (e)].

C. Each DoD Component shall establish a system to accumulate cost pools, recognize when a cost pool meets recoupment thresholds and calculate an NC recoupment charge for items releasable to foreign countries and international organizations when FMS sales are anticipated. The NC recoupment charge shall be based upon information recorded in DoD accounting records or DoD budget justification documents. Cost estimates may be used to determine the NC expected to be incurred in

periods not covered by budget justification documents.

D. The costs to be included in the nonrecurring RDT&E investment cost pool shall be determined on the budget and accounting classifications established for research, development, test and evaluation appropriations in DoD 7110.1-M [reference (d)]. Paragraph 516.2 of reference (d) establishes the following research and development (R&D) categories:

1. Research 6.1. Includes all efforts of scientific study and experimentation directed toward increasing knowledge and understanding in those fields of the physical, engineering, environmental, and life sciences related to long term national security needs. It provides fundamental knowledge required for the solution of military problems. It forms a part of the base for (a) subsequent exploratory and advanced development in DoD-related technologies and (b) new and improved military functional capabilities in areas such as communications, detection, tracking, surveillance, propulsion, mobility, guidance and control, navigation, energy conversion, material and structures, and personnel support.

2. Exploratory Development 6.2. Includes all efforts directed toward the solution of specific military problems, short of major development projects. This type of effort may vary from fairly fundamental applied research to quite sophisticated "breadboard" hardware, study, programming, and planning efforts. It would thus include studies, investigations, and minor development effort. The dominant characteristic of this category of effort is that it is pointed toward specific military problem areas with a view toward developing and evaluating the feasibility and practicability of proposed solutions and determining their parameters. Program control of the exploratory development element shall be exercised normally at a general level of effort.

3. Advanced Development 6.3. Includes all efforts directed toward projects that have moved into the development of hardware for tests. The prime result of this type of effort is proof of design concept, rather than the devel-

opment of hardware for service use. Projects in this category have a potential military application.

4. Engineering Development 6.4.

Includes all projects in full-scale engineering development for service use that have not yet received approval for production or had production funds included in the DoD budget submission for the present budget or subsequent fiscal year. This area is characterized by major line item projects, and program control shall be exercised by review of individual projects.

5. Management and Support 6.5.

Includes research and development efforts directed toward support of installations or operations required for general research and development use. Included would be test ranges and maintenance of test aircraft and ships, and studies and analyses in support of the R&D program. Cost of laboratory personnel, either in-house or contract-operated, would be assigned to appropriate projects or as a line item in the research, exploratory development, or advanced development program areas, as appropriate. Military construction costs directly related to a major development program shall be included in the appropriate element.

6. Operational System Development.

Includes those projects still in full-scale engineering development that have received approval for production through the Defense Systems Acquisition Review Council (DSARC) or other action, or production funds have been included in the DoD budget submission for the present budget or subsequent fiscal year. All items in this area are major line item projects that appear as RDT&E costs of weapon system elements in other programs. Program control shall be exercised by reviewing projects individually. The costs incurred for nonrecurring R&D in the first two budget and accounting classifications (6.1 and 6.2) may not be included in the nonrecurring RDT&E cost pool. The advanced development (6.3) budget and accounting classifications is sometimes further broken down into 6.3A and 6.3B. Although both types of effort are a "proof-of-design" concept rather than the development of hardware for service use, the 6.3A classification is tied strictly to research efforts

that involve the production of breadboards or brassboards to model all or part of a design. The 6.3B classification may be applied to projects to produce a prototype which, although not suitable for fielding, is closer to representation of an end item for military application. Therefore, costs incurred for nonrecurring R&D in classification 6.3A may not be included in the nonrecurring RDT&E cost pool. However, costs in classification 6.3B and the remaining R&D classifications are subject to recoupment and shall be included in the nonrecurring R&D cost pools upon which the pro rata charge is calculated.

E. All applicable NC efforts, including in-house or multiple contractors shall be included in the NC cost pool. In other words, the source of the NC effort to develop a product is not relevant to the calculation of the NC recoupment charge. The costs of improvement programs that are designed to continuously improve the safety, reliability, availability, and maintainability of an end item or major component over the projected life of the item will be shared equitably by all users of the item. Normally, each user will pay a share of the total annual cost through a Component Improvement Program (CIP) or comparable program. All users are expected to participate in such a program. The cost sharing calculation will be established at the time the NC cost pool is established and the NC recoupment charge is approved. First, the total life of the item will be projected, then the point in time when half of all projected deliveries to non-DoD customers will occur will be estimated. Using actual cost data and data from historical files for similar CIP or comparable programs, the total U.S. investment costs over the life of the program will be estimated. The amount of U.S. investment projected to be incurred up to the previously determined point of half of the deliveries to non-DoD customers will be included in the weapon system NC cost pool. The annual cost of operating the CIP or comparable program will be shared in proportion to the number of items in the possession of each user. This will ensure that the remaining costs of operating the CIP or comparable program will be shared equally by all users of the item.



F. The costs to be included in the nonrecurring production cost pool are those financed by, or to be financed in the future by, procurement or operations and maintenance appropriations that benefit current and future production runs. DoD Directive 2140.2 [reference (r)] provides that the pool shall capture such costs as preproduction, special tooling, special testing equipment, production engineering, product improvement, destructive testing and product model production, and testing and evaluation. Other costs may be included if they benefit both current and future production runs. Descriptions of the major categories of costs to be accumulated in this nonrecurring cost pool are as follows:

1. Preproduction Cost refers to cost of such activities as tool manufacture and tryout (such as jigs, dies, and fixtures) and the implementation of layout plans. Also, see item 8, License Cost. A lump sum payment is part of preproduction cost.

2. Special Tooling Cost refers to the costs of all jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, and replacement thereof, that are of such a specialized nature that substantial modifications or alternation of their use is limited to the development of production of particular supplies or parts thereof, or the performance of particular services. The term includes all components of such items, but does not include: (a) material; (b) special testing equipment, or (c) building and nonserviceable structures (except foundations and similar improvements necessary for the installation of special tooling), general or special machine tools, or similar capital items.

3. Special Test Equipment Cost refers to the cost funded by procurement appropriations for either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in the performance of the contract. Such testing units comprise electrical, electronic, hydraulic, pneumatic, mechanical, or other items or assemblies of equipment that are mechanically, electrically, or electronically interconnected so as to become a new functional entity, causing the individual item or items to become interdepen-

dent and essential in the performance of special test equipment procured with RDT&E appropriations.

4. Developmental Production Engineering Cost includes the cost of product design improvement intended to enhance producibility of an item; and examination of available manufacturing processes to determine the need for new techniques (and their development, if necessary); the optimum marshalling of resources for efficient manufacturing (such as optimum lot size, scheduling, production control, production line design and balancing and plant layout); and tool design and detailed manufacturing planning. Although a continuing activity, most of this effort is rightfully considered a nonrecurring production cost.

5. Product Improvement is subdivided into six distinct types of effort: (a) safety; (b) cost reduction; (c) reliability, availability, and maintainability; (d) deficiency corrections; (e) compatibility standardization, and simplification; and (f) new or improved operational capability. Categories (a) through (e) are to be included in the end item nonrecurring production cost pool, even though a participating product improvement program has been established that pro rates annual cost of the program based upon worldwide asset position (both U.S. and foreign-owned end items). The DoD cost of category (f) shall be recovered as part of the selling price of a modification kit, if the kit is an MDE. Product improvement programs may be accomplished by contractors as an engineering change proposal (ECP), modification work order (MWO), or an in-house project.

6. Destructive Testing is a technique for performing tests on a component, assembly, or an end item. It involves the testing of an article beyond its design limits (and ultimately its destruction), or the actual consumption of the article to determine if it is performing to design specifications.

7. Pilot Model Testing includes the following effort:

a. Qualification Testing is a very severe testing to determine if a product will

do what it is designed to do. It usually involves the testing of a product to the limits of its performance. It is often destructive and the test articles are not intended to be used operationally.

b. First Article Testing Cost is the cost of testing to evaluate a new manufacturer's ability to produce a specified design (could be the new manufacturer's design or that of another manufacturer). It is normally more stringent and costly than routine acceptance testing, but less stringent and costly (and less destructive) than qualification testing.

8. License Cost refers to the cost of the license DoD shall obtain to allow competitive awards for production of an item when its design is owned by a contractor. In effect, the Department of Defense buys the rights to allow other contractors to produce an item for DoD purposes through the payment of royalties or a lump sum fee. These royalties are customarily on a per-item basis and should be charged as recurring production costs. The lump sum fee is a nonrecurring production cost.

G. In computing nonrecurring cost pools for items to be sold under FMS, nonrecurring costs for major components that are restricted to U.S. Government use only shall not be included. For example, the costs of nuclear devices and features, countermeasure devices and features, security devices (black boxes), carrier-peculiar adaptations, and special fuel tank devices shall be excluded. Estimates may be used if accounting records do not identify associated costs.

H. The number of items that shall include all known or projected DoD production quantities shall be determined as follows.

1. The production quantities of end items required by the Department of Defense shall be obtained from either Selected Acquisition Reports (SARs) or the Five Year Defense Program (FYDP), Procurement Annex.

2. The production quantities of end items to be procured for foreign countries or international organizations under security assistance programs shall be obtained from DoD

Component security assistance plans.

3. The production quantities of end items to be produced by contractor for commercial sales may be obtained from the contractor and validated by contracting officers. The contractor's estimate shall be required only if the applicable commodity manager determines that a potential exists for significant commercial sales.

4. In the event end item data is not available from any of these sources, the developing command shall estimate the total number of end items to be produced.

5. The production quantities of systems components that meet the investment threshold shall be derived from the number of end items to be produced. For example, if 100 aircraft shall be produced (including engines) and spare part support requires 150 engines, the production quantity of engines is 250.

I. In the event of a disagreement on the production quantity and sales projections, the Director, DSAA, shall make the final determination, in coordination with the Office of the Comptroller, DoD, and OUSD(A), as to the production estimates to be used for determining the NC recoupment charge.

J. The approved pro rata charge shall be recouped, unless a waiver is authorized. When nonrecurring cost recoupment is applicable, the price in a Letter of Offer and Acceptance shall provide for the specific recoupment charge. In instances where the initial rate has not yet been approved, DoD Components shall provide for an initial rate based on an estimation of the best information available to the DoD Component. The LOA shall be modified to provide for the subsequently approved rate and only that approved rate is to be billed. When a recoupment charge is revised, the previous value is retained in the appendix for information. Subsequent revisions to the pro rata charge shall be applied to new LOAs and shall not be retroactive.

K. When the price is reduced because of age, condition, or supply status (excess), the same percentage reduction shall be made to the pro rata share of nonrecurring costs.

L. DoD Directive 2140.2 [reference (r)] requires a biennial review of approved MDE charges to determine if there has been a significant change in factors or assumptions used to compute the currently approved recoupment for a model. A significant change occurs when (1) a new calculation shows a change of 30 percent of the current system NC charge for an MDE item or (2) the NC unit charge increases or decreases by \$50,000 or more or (3) where the potential for a \$5 million change in recoupment exists or (4) for ammunition items, the potential exists for additional recoupment of over \$100,000 or more. A revision to the NC recoupment for MDE will not be applied retroactively to signed LOAs. Rather, the new charge applies to all sales following the date of approval.

M. When a model change occurs, the NC recoupment charge shall be recalculated. That portion of the NC which benefits only one model shall be allocated only to that model. That portion of the NC that benefits old and new models shall be prorated between cost pools related to the old and new model items. Commonality between old and new models may be determined either on the basis of the ratio of old model parts in the new item or on some other common acceptable basis for allocation of costs between the models, i.e., engineering analysis or technology analysis, as appropriate. Sample calculations are illustrated at table 703-13.

N. While a change may be submitted at any time by a DoD Component, it is mandatory that a modification be submitted when a significant change occurs.

O. Reporting Nonrecurring Cost Recoupment Collections.

1. Funds collected for NC recoupment charges shall be disposed of in accordance with paragraph 070105 of this Volume.

2. DoD Components shall

provide a quarterly report on the status of nonrecurring cost collections. The format is at Table 703-12. The report shall be forwarded to the DSAA Comptroller within 45 days following the close of each fiscal quarter, with a copy furnished to the Defense Finance and Accounting Service (DFAS-HQ/ARS). DoD Components shall maintain records of anticipated and actual nonrecurring cost collections for FMS cases and known direct commercial sales (prior to October 7, 1992). Data on direct commercial sales may be obtained from export licenses or from other information provided by DSAA. Reports should be in agreement with amounts deposited to the Treasury miscellaneous receipts account.

P. Waivers.

1. The Director, DSAA, is the waiver approval authority and will state in writing any approvals granted for waivers associated with FMS. A notification of each approved waiver will be forwarded to the Comptroller, DoD and to the concerned DoD Component by the approving authority.

2. The decision on any waiver requires the concurrence of the Director, DSAA; the Comptroller, DoD; and the USD(Acquisition). If an issue concerning the waiver request cannot be resolved, the Director, DSAA, shall prepare an action memorandum on the waiver request to the Deputy Secretary of Defense for final determination. The action memorandum to the Deputy Secretary of Defense shall be coordinated with the Director, DSAA, the Comptroller, DoD, and the USD(Acquisition).

Q. Articles delivered after November 30, 1989 under FMS cases fully financed with MAP funds and/or nonrepayable FMS credit funds shall be priced to exclude the NC charge.

R. The established NC recoupment charge shall be included in the FMS unit price.

S. The Director, Defense Contract Audit Agency, shall ensure that any evaluation of a contractor accounting system includes an analysis of the internal controls established to ensure compliance with the requirement to pay

NC recoupment charges for sales made prior to October 7, 1992. If DCAA audit work on a bid proposal, claim for incurred costs, etc., discloses contractor noncompliance with the requirement

to pay an NC recoupment charge, an audit report shall be issued promptly to the cognizant DoD contracting officer, with a copy of the report submitted to the DFAS-HQ/ARS and DSAA(COMPT).

**TABLE 703-1 PRICE COMPUTATION EXAMPLE NONEXCESS**  
**DEFENSE BUSINESS OPERATIONS FUND/ REPAIR PART FROM STOCK**

|                   |                         |
|-------------------|-------------------------|
| Standard Price    | \$500.00                |
| FMS Selling Price | \$500.00 <sup>1,2</sup> |
|                   | =====                   |

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<sup>1</sup> The Administrative Surcharge is additive to the selling price.

<sup>2</sup> See Table 804-6 for billing.

**TABLE 703-2 PRICE COMPUTATION EXAMPLE NONEXCESS PROCUREMENT FUNDED ITEM  
FROM STOCK NOT TO BE REPLACED**

|  |                                |
|--|--------------------------------|
| Standard Price   | \$50,000.00                    |
| Pro-rated overhaul costs before sale date (see Table 703-10)                     | 3,000.00                       |
| Pro-rata nonrecurring charges  | 2,000.00                       |
| *****  |                                |
| <u>Calculation of reduction for age and condition:</u>                           |                                |
| Acquisition Price  | \$50,000.00                    |
| Adjustment for remaining service life (10-year life,<br>5 years expired ) (5/10) | 50%                            |
|  | \$25,000.00 <sup>1</sup>       |
| Pro-rated overhaul costs before sale date (see Table 703-10)                     | 3,000.00 <sup>2</sup>          |
| Nonrecurring cost recoupment<br>(50% of \$2,000)                                 | 1,000.00 <sup>3</sup>          |
| FMS Selling Price  | \$29,000.00 <sup>3,4,5,6</sup> |

<sup>1</sup> Credit \$25,000 received for articles to Miscellaneous Receipts Account 3041.

<sup>2</sup> Credit \$3,000 previously incurred overhaul costs to the financing account.

<sup>3</sup> Credit \$1,000 to SDAF or Miscellaneous Receipts Account 3041, as applicable.

<sup>4</sup> PCH and Administrative Surcharge are additive to the selling price.

<sup>5</sup> See Table 804-7 for billing.

<sup>6</sup> Under no condition shall the sale price be lower than the scrap value plus the cost of the last major overhaul or outfitting accomplished before the sale.

**TABLE 703-3 PRICE COMPUTATION EXAMPLE NONEXCESS PROCUREMENT FUNDED  
ITEM FROM STOCK TO BE REPLACED**

|   |   |
|---|---|
| Standard Price  | \$40,000.00   |
| Pro rata nonrecurring charges   | 2,000.00  |
| *****   |   |
| <u>Calculation of Price:</u>  |   |
| Estimated contract price to replace item.                                   | \$100,000.00  |
| Adjustment for used service life (10-year life,<br>5 years expired ) (5/10) | <div style="text-align: right;"> <u>50%</u><br/> \$50,000.00 </div> |
| Reimburse to current procurement account                                    | \$50,000.00   |
| Pro rata nonrecurring charge (5/10) 50% of 2,000                            | <div style="text-align: right;"> <u>1,000.00<sup>1</sup></u> </div> |
| FMS Selling Price   | \$51,000.00 <sup>2,3,4</sup>  |

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<sup>1</sup> Credit recovery for nonrecurring costs to SDAF or Miscellaneous Receipts Account 3041, as applicable.

<sup>2</sup> PCH and Administrative Surcharge are additive to the selling price

<sup>3</sup> See Table 804-8 for billing.

<sup>4</sup> Under no condition shall the sale price be lower than the scrap value plus the cost of the last major overhaul or outfitting accomplished before the sale.

**TABLE 703-4A PRICE COMPUTATION EXAMPLE NONEXCESS PROCUREMENT FUNDED ITEMS  
FROM STOCK TO BE REPLACED**

|                               |                |
|-------------------------------|----------------|
| Standard Price                | \$1,300,000.00 |
| Pro rata nonrecurring charges | 32,000.00      |

\*\*\*\*\*

Calculation of Price

|  |                                     |
|--|-------------------------------------|
| Estimated contract price to replace item.  | \$2,700,000.00                      |
| Adjustment for Depreciation (constant percentage<br>method of depreciation - 12-1/2% per year this<br>example) |                                     |
| 20 year life-average fleet age = 7 years <sup>1</sup>  | <u>39%</u>                          |
|  | \$1,053,000.00                      |
| Reimburse to current procurement account   | \$1,053,000.00                      |
| Pro rata nonrecurring charge (39% of \$32,000)   | 12,480.00 <sup>2</sup>              |
| FMS Selling Price  | <u>\$1,170,780.00<sup>3,4</sup></u> |

- <sup>1</sup> Constant percentage method of Depreciation  $R_n = (1-d)^n$  (see table 703-4B)  
 $R_n$  = 39% remaining useful life factor at the end of n years.  
 $d$  = 12.5 percentage useful life lost from the remaining value in each year.  
 $n$  = 7 age in years of the item.

Note: Residual value at the end of 20 years (normal service list) is 6.92%.

- <sup>2</sup> Credit recovery for nonrecurring costs to SDAF or Miscellaneous Receipts Account 3041, as applicable.
- <sup>3</sup> PCH and Administrative Surcharge are additive to selling price.
- <sup>4</sup> Under no condition shall the sale price be lower than the scrap value plus the cost of the last major overhaul or outfitting accomplished before the sale.

**TABLE 703-4B CONSTANT PERCENTAGE METHOD OF DEPRECIATION**

$$R_n = (1-d)^n$$

$R_n$  = remaining useful life factor at the end if  $n$  years.

$d$  = percentage useful life lost from the remaining value in each year.

$n$  = age in years of the item.

Example below uses  $d=12.5\%$

| $n$ | $d$  | $R_n$   |
|-----|------|---------|
| 1   | .125 | .875    |
| 2   | .125 | .765625 |
| 3   | .125 | .669922 |
| 4   | .125 | .586182 |
| 5   | .125 | .512909 |
| 6   | .125 | .448795 |
| 7   | .125 | .392696 |
| 8   | .125 | .343609 |
| 9   | .125 | .300658 |
| 10  | .125 | .263076 |
| 11  | .125 | .230191 |
| 12  | .125 | .201417 |
| 13  | .125 | .176240 |
| 14  | .125 | .154210 |
| 15  | .125 | .134934 |
| 16  | .125 | .118067 |
| 17  | .125 | .103309 |
| 18  | .125 | .090395 |
| 19  | .125 | .079096 |
| 20  | .125 | .069209 |



**TABLE 703-5 PRICE COMPUTATION OF OVERHAUL COSTS PREVIOUSLY INCURRED FOR A  
PROCUREMENT FUNDED ITEM SOLD TO FOREIGN MILITARY SALES CUSTOMERS**

Assume the following:

1. Aircraft A, tail number 26 is to be sold in May 1991. The last overhaul for that aircraft was accomplished in August 1990 at a cost of \$640,000.
2. The normal interval between overhauls for aircraft A is 60 months.

The price is computed using the following steps:

1. Determine the actual interval since the last overhaul in terms of months:  
  
August 1990 to May 1991 equals 9 months.
2. Determine the percentage of overhaul costs applicable to the DoD by comparing the actual interval since the last overhaul with the normal interval between overhauls.

$$\frac{\text{Actual Interval} = 9 \text{ months}}{\text{Normal Interval} = 60 \text{ months}} = 15\%$$

3. Determine the amount of the costs to be charged to the customer by subtracting the resulting percentages in step 2 from 100 percent and applying the result to the overhaul costs. If actual overhaul costs are not known, a reasonable estimate should be obtained from the facility normally performing overhauls for the type of item that is to be sold.

$$100\% - 15\% = 85\% \times \$640,000 = \$554,000$$

**TABLE 703-6 PRICE COMPUTATION EXAMPLE EXCESS DEFENSE BUSINESS  
OPERATIONS FUND ITEM**

|   | <u>NON-FMSO</u>       | <u>FMSO II</u>        |
|---|-----------------------|-----------------------|
| Standard Price  | \$500.00              | \$500.00              |
| Adjustment for condition (A-1 and serviceable,<br>unused, good condition - 50% reduction) | <u>250.00</u>         | <u>N/A</u>            |
|   | \$250.00              | \$500.00              |
| Reimburse to Defense Business Operations<br>Fund Account                                  | <u>250.00</u>         | <u>\$500.00</u>       |
| FMS Selling Price   | \$250.00 <sup>1</sup> | \$500.00 <sup>1</sup> |

---

<sup>1</sup> Administrative Surcharge is additive to the selling price.

**TABLE 703-7 PRICE COMPUTATION EXAMPLE EXCESS PROCUREMENT FUNDED  
ITEM FROM STOCK**

|  |             |
|--|-------------|
| Standard Price   | \$50,000.00 |
| Pro rata nonrecurring charges                                  | 2,000.00    |
| Pro rata overhaul costs before sale date<br>(see Table 703-10) | 3,000.00    |

\*\*\*\*\*

Condition - A-3 (serviceable, unused, poor) 10%

|  |                                      |
|--|--------------------------------------|
| Standard Price x 10%                     | 5,000.00                             |
| Pro rata nonrecurring charge x 10%       | 200.00                               |
| Pro rata overhaul costs before sale date | <u>3,000.00</u>                      |
| FMS Selling Price                        | \$8,200.00 <sup>1,2,3</sup><br>===== |

<sup>1</sup> The FMS selling price must be increased if the market price or the scrap value plus the nonrecurring cost recoupment charge and the prorated value of the last major overhaul costs incurred are higher than the fair value FMS selling price. The market price is defined as a commercial catalog price or quoted price from a commercial vendor, if readily available. The fair value price is determined by the Federal Condition Code.

<sup>2</sup> Credit to SDAF or Miscellaneous Receipts Account 3041, as applicable.

<sup>3</sup> PCH and Administrative Surcharge are additive to the selling price. Credit collections for nonrecurring costs to SDAF or Miscellaneous Receipts Account 3041, as applicable.

TABLE 703-8 PRICE COMPUTATION EXAMPLE SALE OF EXCESS SHIP

|  |  |
|--|--|
| Value of ship where fair value computation is applicable per para. 070304.A. Fair value is 10% of original cost. | \$2,250,000.00 <sup>1</sup>                    |
| Nonrecurring cost recoupment charge (10% of established charge)  | 50,000.00 <sup>2</sup>                         |
| Pro-rated overhaul costs (See Table 703-10)  | <u>1,500,000.00<sup>1</sup></u>                |
| FMS Selling Price  | <u>\$3,800,000.00<sup>3,4,5</sup></u><br>===== |

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<sup>1</sup> Credit to Miscellaneous Receipts Account 3041.

<sup>2</sup> Credit to SDAF or Miscellaneous Receipts Account 3041, as applicable.

<sup>3</sup> Administrative Surcharge is additive to the selling price.

<sup>4</sup> See Table 804-9 for billing.

<sup>5</sup> If the item is sold at market value the entire proceeds will be deposited to Miscellaneous Receipts or SDAF as applicable as the sale of an item that does not require replacement.

TABLE 703-9 FORMAT FOR MDE CALCULATIONS

| FORMAT FOR MDE CALCULATION                                     |  |                                    |  |                  |  |              |  |             |  |               |
|--|--|------------------------------------|--|------------------|--|--------------|--|-------------|--|---------------|
| ITEM DESCRIPTION:  |  | Date Prepared                      |  |                  |  |              |  |             |  |               |
| Identification No.:  |  | DoD Component                      |  |                  |  |              |  |             |  |               |
|  |  | Preparer's Name, Job Series, Grade |  |                  |  |              |  |             |  |               |
| <b>PART A - NONRECURRING R&amp;D INVESTMENT (NUMERATOR)</b>    |  |                                    |  |                  |  |              |  |             |  |               |
| Major Components   |  | R&D Projects                       |  | X                |  | Y            |  | Z           |  | Total         |
| Air Frame  |  |                                    |  | \$80,000,000     |  |              |  |             |  | \$80,000,000  |
| Engine (JXX)   |  |                                    |  |                  |  | \$58,000,000 |  |             |  | \$58,000,000  |
| Radar  |  |                                    |  |                  |  |              |  | \$5,000,000 |  | \$5,000,000   |
| Avionics   |  |                                    |  | \$1,000,000      |  |              |  |             |  | \$1,000,000   |
| Undistributed to Component                                     |  |                                    |  | \$20,000,000     |  |              |  |             |  | \$20,000,000  |
| Total Air Vehicle  |  |                                    |  |                  |  |              |  |             |  | \$164,000,000 |
| <b>PART B - NONRECURRING PRODUCTION INVESTMENT (NUMERATOR)</b> |  |                                    |  |                  |  |              |  |             |  |               |
| Major Components   |  | AF 1537                            |  | Contract         |  | Contract     |  | Contract    |  | Total         |
| Air Frame  |  | 1-Sep-91                           |  | XX               |  | ZZ           |  |             |  |               |
|  |  | \$5,000,000                        |  |                  |  |              |  |             |  | \$5,000,000   |
| Engine (JXX)   |  | \$7,000,000                        |  |                  |  |              |  |             |  | \$7,000,000   |
| Radar  |  | \$3,000,000                        |  |                  |  |              |  |             |  | \$3,000,000   |
| Avionics   |  | \$5,000,000                        |  |                  |  |              |  |             |  | \$5,000,000   |
| Undistributed to Component                                     |  | \$10,000,000                       |  |                  |  |              |  |             |  | \$10,000,000  |
| Total Air Vehicle  |  |                                    |  |                  |  |              |  |             |  | \$30,000,000  |
| <b>PART C - PROJECTED UNITS (DENOMINATOR)</b>                  |  |                                    |  |                  |  |              |  |             |  |               |
|  |  | Source Documents                   |  |                  |  | ADP          |  | ADP         |  | Commercial    |
|  |  | DoD Quantities                     |  | MAP/FMS          |  | Project 311  |  | Project 311 |  | Estimate by   |
|  |  | FYDP                               |  | 5 Year Security  |  |              |  |             |  | Contracting   |
|  |  | Proc. Annex                        |  | Assistance Plans |  |              |  |             |  | Officer       |
|  |  | ADP                                |  | ADP              |  | ADP          |  | ADP         |  | Totals        |
| Air Frame  |  | 1,500                              |  | 1,500            |  | 850          |  | 850         |  | 2,350         |
| Engine (JXX)   |  | 3,050                              |  | 3,050            |  | 2,500        |  | 2,500       |  | 7,550         |
| Radar  |  | 2,700                              |  | 2,700            |  | 950          |  | 950         |  | 3,750         |
| Avionics   |  | 1,500                              |  | 1,500            |  | 850          |  | 850         |  | 2,350         |
| Air Vehicle  |  | 1,500                              |  | 1,500            |  | 750          |  | 750         |  | 2,250         |

TABLE 703-9 FORMAT FOR MDE CALCULATIONS (CONTINUED)

| FORMAT FOR MDE CALCULATION  |              |                                    |              |                 |                           |  |
|---|--------------|------------------------------------|--------------|-----------------|---------------------------|--|
| ITEM DESCRIPTION:   |              | Date Prepared                      |              |                 |                           |  |
| Identification No.:   |              | DoD Component                      |              |                 |                           |  |
|   |              | Preparer's Name, Job Series, Grade |              |                 |                           |  |
| <b>PART D - COMPONENT NC</b>  |              |                                    |              |                 |                           |  |
| Major Components  | R&D          | Production                         | Total        | Projected Units | Unit NC Recoupment Charge |  |
| Air Frame   | \$80,000,000 | \$5,000,000                        | \$85,000,000 | 2,350           | \$36,170 (1)              |  |
| Engine (JXX)  | \$58,000,000 | \$7,000,000                        | \$65,000,000 | 7,550           | 8,609 (1)                 |  |
| Radar   | \$5,000,000  | \$3,000,000                        | \$8,000,000  | 3,750           | 2,133*                    |  |
| Avionics  | \$1,000,000  | \$5,000,000                        | \$6,000,000  | 2,350           | 2,553*                    |  |
| Undistributed to Component  | \$20,000,000 | \$10,000,000                       | \$30,000,000 | 2,250           | 13,334 (2)                |  |
|   |              |                                    |              |                 |                           |  |
| <b>PART E - SYSTEM NC CHARGE</b>  |              |                                    |              |                 |                           |  |
|   |              | Total                              |              |                 |                           |  |
| 1. Current Develop Costs:   |              |                                    |              |                 |                           |  |
| Air Frame (1 each system)   |              | \$36,170                           |              |                 |                           |  |
| Engine (JXX) (2 each system)  |              | 17,218                             |              |                 |                           |  |
| Radar (1 each system)   |              | 2,133                              |              |                 |                           |  |
| Avionics (1 each system)  |              | 2,553                              |              |                 |                           |  |
| Undistributed to Component (allocated to end items)   |              | 13,334                             |              |                 |                           |  |
| 2. GFM Development Costs:   |              |                                    |              |                 |                           |  |
| ISS Cannon (2 each system)  |              | 500                                |              |                 |                           |  |
| HR X Radio (1 each system)  |              | 250                                |              |                 |                           |  |
| XM Bomb Sight (1 each system)   |              | 300                                |              |                 |                           |  |
| Access II Scat (1 each system)  |              | 700                                |              |                 |                           |  |
| TOTAL SYSTEM CHARGE   |              | \$73,158                           |              | (1)             |                           |  |
| <b>NOTES:</b><br>(1) Unit NC recoupment charge calculation for MDE item must be submitted to DSAA for review and approval.<br>(2) Undistributed systems' NC is recouped on end items. |              |                                    |              |                 |                           |  |

TABLE 703-10 MDE WORKSHEET FORMAT

| RECOUPMENT OF NONRECURRING COSTS ON SALES<br>OF MDE ITEMS |   |            |        |                            |             |           |       |  |       | DATE PREPARED |                                | DOD COMPONENT                                 |          |
|---|---|------------|--------|----------------------------|-------------|-----------|-------|--|-------|---------------|--------------------------------|---|----------|
|   |   |            |        |                            |             |           |       |  |       | July 1986     |                                | Army  |          |
|   |   |            |        |                            |             |           |       |  |       | AS OF DATE    |                                | NAME AND TELEPHONE NUMBER<br>OF CONTACT POINT |          |
|   |   |            |        |                            |             |           |       |  |       | July 1986     |                                | John Doe XXX-XXXX                             |          |
| SECTION A   |   |            |        |                            |             |           |       |  |       |               |                                |   |          |
| (a)<br>WEAPON SYSTEM<br>OR COMPONENT                      | (b)<br>NONRECURRING COSTS<br>(\$ THOUSANDS) |            |        | (c)<br>PRODUCTION QUANTITY |             |           |       | (d)<br>RECOMMENDED PRO RATA<br>UNIT CHARGE |       |               | (e)<br>PREVIOUS UNIT<br>CHARGE |   |          |
|   | RD&E  | PRODUCTION | TOTAL  | ARMY                       | MARINE/NAVY | AIR FORCE | MAP   | FMS/DIRECT SALE                            | TOTAL | RD&E          |                                | PRODUCTION                                    | TOTAL    |
| VEHICLE   | 300   | 200        | 500    | 1000                       | 0           | 0         | 1000  | 0  | 2000  | 150K          | 100K                           | 250K  | NEW ITEM |
| SECTION B   |   |            |        |                            |             |           |       |  |       |               |                                |   |          |
| PRODUCTION QUANTITIES                                     |   |            |        |                            |             |           |       |  |       |               |                                |   |          |
|   |   |            | ACTUAL |                            | PROJECTION  |           | TOTAL |  |       |               |                                |   |          |
| MAP   |   |            |        |                            |             |           |       |  |       |               |                                |   |          |
| DIRECT SALE   |   |            |        |                            |             |           |       |  |       |               |                                |   |          |
| FMS   |   |            |        |                            | 1000        |           |       |  |       |               |                                |   |          |
| TOTALS  |   |            |        |                            |             |           |       |  |       |               |                                |   |          |

TABLE 703-11 NONRECURRING COST CHARGES FOR MDEMajor Defense Equipment

| Inventory<br>Control<br>Point | Description of Item | NSN* | Nonrecurring Charge | Effective<br>Date |
|-------------------------------|---------------------|------|---------------------|-------------------|
|-------------------------------|---------------------|------|---------------------|-------------------|

\*NSN, if available.



**TABLE 703-12 RECOUPMENT OF NONRECURRING COSTS ON SALES  
OR LICENSING OF U.S.G. ITEMS**

| RECOUPMENT OF NONRECURRING COSTS ON SALES<br>OR LICENSING OF U.S.G. ITEMS<br>(\$ Thousands)   |   |                                |           |                           |                     |   | Department of the Navy<br>Report Preparation Date: 10 Oct 92<br>Report Cutoff Date: 30 Sep 92 |                                      |                              |
|---|---|--------------------------------|-----------|---------------------------|---------------------|---|---|--------------------------------------|------------------------------|
| Case<br>Designator(1)   | Purchaser(2)                            | Item                           | Quantity  | Fiscal<br>Year<br>of Sale | Delivery<br>Date(3) | Total<br>Anticipated<br>NC Charge(4)(5) | Actual Collections<br>Amount Collected<br>This Quarter  | Amount Collected<br>This Fiscal Year | Cumulative<br>Collections(6) |
| <b>Part 1. Recoveries on USG sales to foreign governments and international organizations (7).</b>                                      |   |                                |           |                           |                     |   |   |                                      |                              |
| AT-P-AAA<br>BE-P-LAL  | AUSTRALIA<br>BELGIUM                    | MISSILE AIM-7C<br>GUIDED BOMB  | 70<br>40  | 1990<br>1991              | 943<br>933          | \$191<br>\$247                          | \$27<br>\$19  | \$54<br>\$62                         | \$137<br>\$155               |
| <b>Part 2. Recoveries on commercial sales to foreign governments, international organizations, and foreign commercial firms (7)(8).</b> |   |                                |           |                           |                     |   |   |                                      |                              |
| AB3456<br>SP-P-001  | IHI HEAVY/Japan<br>NAVAL MATL CMD/Spain | T-700-GE-401<br>TF-34 ENG      | 100<br>10 | 1989<br>1992              | 953<br>924          | \$2,970<br>\$207                        | \$89<br>\$21  | \$1,010<br>\$104                     | \$1,841<br>\$166             |
| <b>Part 3. Recoveries on sales to domestic commercial firms (7)(8).</b>   |   |                                |           |                           |                     |   |   |                                      |                              |
| USA<br>CH   | GEN ELECTRIC<br>SIKORSKY                | T-64 ENGINES<br>T-2 HELICOPTER | 50<br>75  | 1992<br>1990              | 924<br>943          | \$1,929<br>\$2,988                      | \$116<br>\$400  | \$386<br>\$999                       | \$1,929<br>\$1,999           |

**Notes:**

- (1) Applicable to USG sales to foreign governments and international organizations. For commercial direct sales, use the license number. For domestic sales, establish a "dummy" case number for control purpose.
- (2) When a license number or "dummy" case number is shown in the case designator column, then the purchaser column should also reflect the name of the contractor who is liable for the payment in addition to the purchaser (country).
- (3) For proposed or pending direct commercial sales, place a "P" in this column.
- (4) When collection results from the use of a TDP, place a (T) after the anticipated charge.
- (5) Place an asterisk after charge when collection is completed.
- (6) Collections that are completed during the fiscal year will be dropped on the first quarterly report of the subsequent fiscal year.
- (7) If payment of a NC recoupment charge is withheld or otherwise not collected, for any reason, the entry, along with the amount of the NC recoupment collection, shall be reported and footed to indicate the reason. If, at a subsequent time, there is a determination, or other determination by the Office of the Comptroller, DoD, that the NC recoupment charge will not be collected, the entry shall be deleted from the first quarterly report of the subsequent fiscal year.
- (8) Recovery not required on sales on or after date of this Directive for items with non-military purpose.

**TABLE 703-13 RECOUPMENT OF NONRECURRING CHARGES FOR MAJOR DEFENSE EQUIPMENT, NEW MODELS DERIVED FROM EXISTING MODELS**

| <b>RECOUPMENT OF NC CHARGES FOR MAJOR DEFENSE EQUIPMENT, NEW MODELS DERIVED FROM EXISTING MODELS</b>                                   |  |   |   |  |
|--|--|---|---|--|
| <b>EXAMPLE 1</b>   |  |   |   |  |
| <b>FACTS:</b>  |  |   |   | <b>Step 4:</b><br>Determine cost pool of non-common items related to the old item. |
| 1.   | <b>MODEL</b><br>A(OLD)<br>B(NEW)   | <b>COST POOL</b><br>\$500,000,000<br>\$100,000,000    | <b>QUANTITY</b><br>1,000<br>1,000           | <b>OLD CHARGE</b><br>\$500,000<br>\$100,000  |
| 2.   | <b>OLD MODEL</b><br>1,000 Parts  | <b>NEW MODEL</b><br>1,200 Parts                       |   |  |
| (NOTE: 900 parts are common to both models)  |  |   |   |  |
| <b>Step 1:</b><br>Determine commonality: Commonality is the percentage of the parts in the new model that are common to the old model. | <b>COMMONALITY</b>   | 900<br>1,000  | '= 90%                                      |  |
| <b>Step 2:</b><br>Determine the amount of the old item cost pool which benefits both old and new items.                                |  |   |   |  |
|  | \$500,000,000<br>90%<br>\$450,000,000  | Old Item Cost Pool<br>Commonality<br>Common Cost Pool |   |  |
| <b>Step 3:</b><br>Calculate NC charge for new item.  |  |   |   |  |
| a.   | <b>Common Cost Pool</b><br>\$450,000,000   | divided by  | <b>Benefiting Units</b><br>2,000            | '= \$225,000.00  |
| b.   | <b>New Item Cost Pool</b><br>which does not contain commonality with the old item  |   |   |  |
|  | \$100,000,000  | divided by  | <b>Benefiting Units</b><br>1,000            | '= \$100,000.00  |
| <b>UNIT CHARGE FOR NEW MODEL</b>   |  |   |   |  |
|  |  |   |   | '= \$325,000.00  |
| <b>Step 5:</b><br>Recalculate old item NC charge and determine if changed rates should be submitted to DSAA.                           |  |   |   |  |
| a.   |  | <b>Old Item Cost Pool</b><br>\$50,000,000             | <b>Divided by Benefiting Units</b><br>1,000 | '= \$50,000  |
| b.   |  | <b>Common Cost Pool</b><br>\$450,000,000              | 2000  | '= \$225,000   |
| c.   | Recalculated charge for old item:<br>Comparison of previous old item NC charge with recalculated NC charge for old item.                 |   |   |  |
|  |  | <b>Recalculated - Old Item Charge</b><br>\$275,000    | divided by                                  | <b>Old Item Charge</b><br>\$500,000  |
|  |  |   |   | '= 55 percent, a 45 percent decrease and \$225,000 NC Unit Charge decrease.        |
| <b>Step 6:</b><br>Action Required.   |  |   |   |  |
| a.   | Submit request to Director, DSAA for consideration of change of NC rate on old item.   |   |   |  |
| b.   | Prepare DSAA package because the change in the NC rate in Step 5 Step 5 exceeds 30% and the unit charge decreases by more than \$50,000. |   |   |  |

**TABLE 703-13 RECOUPMENT OF NONRECURRING CHARGES FOR MAJOR DEFENSE EQUIPMENT, NEW MODELS DERIVED FROM EXISTING MODELS (CONTINUED)**

| RECOUPMENT OF NC CHARGES FOR MAJOR DEFENSE EQUIPMENT,<br>NEW MODELS DERIVED FROM EXISTING MODELS   |  |  |  |
|--|--|--|--|
| <b>EXAMPLE 1 (Continued)</b>   |  | <b>Step 2:</b> Determine the amount of the old item cost pool which benefits both old and new items.   |  |
| <b>Step 7:</b> Proof: Verify that cost pool has been fully allocated.  |  |  |  |
| Old item 1,000 QTY X \$275,000 (Old Item Charge) = \$275,000,000<br>New item 1,000 QTY X \$325,000 (New Item Charge) = \$325,000,000<br>Total \$600,000,000  |  |  |  |
| Cost Pool<br>Old Item \$500,000,000<br>New Item \$100,000,000<br>Total \$600,000,000   |  |  |  |
| Difference -0-   |  |  |  |
| <b>NOTE:</b> The proof is designed only to show that costs are evenly distributed to all units, and the fact that there may have been previous charges at the old rate is to be disregarded for purposes of the calculation. |  | <b>Step 3:</b> Calculate NC charge for new item.   |  |
|  |  | a. Common Cost Pool<br>\$240,000,000 divided by 3,500 = \$ 68,571.00   |  |
|  |  | b. New Item Cost Pool which does not contain commonality with the old item<br>\$200,000,000 divided by 2,500 = \$ 80,000.00<br>UNIT CHARGE FOR NEW MODEL<br>\$ 148,571.00        |  |
| <b>EXAMPLE 2</b>   |  | <b>Step 4:</b> Determine cost pool of non-common items related to the old item.  |  |
| <b>FACTS:</b>  |  |  |  |
| 1. MODEL<br>A(OLD) \$400,000,000<br>B(NEW) \$200,000,000<br>\$600,000,000  |  | a. Old Item Cost Pool \$400,000,000<br>Less: Common Cost Pool \$240,000,000<br>Remainder: Old item cost pool which does not contain commonality with the new item. \$160,000,000 |  |
| 2. OLD MODEL 1,000 Parts<br>NEW MODEL 1,200 Parts  |  |  |  |
| <b>NOTE:</b> 600 parts are common to both models.  |  |  |  |
| <b>Step 1:</b> Determine commonality: Commonality is the percentage of the parts in the new model that are common to the old model.  |  |  |  |
| COMMONALITY $\frac{600}{1,000} = 60\%$   |  |  |  |

**TABLE 703-13 RECOUPMENT OF NONRECURRING CHARGES FOR MAJOR DEFENSE EQUIPMENT, NEW MODELS DERIVED FROM EXISTING MODELS (CONTINUED)**

| RECOUPMENT OF NC CHARGES FOR MAJOR DEFENSE EQUIPMENT,<br>NEW MODELS DERIVED FROM EXISTING MODELS  |  |
|---|--|
| <p><b>NOTE:</b> The proof is designed only to show that costs are evenly distributed to all units, and the fact that there may have been previous charges at the old rate is to be disregarded for purposes of the calculation.</p>   |  |
| <p><b>EXAMPLE 2 (Continued)</b></p> <p><b>Step 5:</b> Recalculate old item NC charge and determine if changed rates should be submitted to DSAA.</p> <p>a. <u>Old Item Cost Pool</u> \$160,000,000 Divided by 1,000 Units = \$160,000</p> <p>b. <u>New Common Cost Pool</u> \$240,000,000 3500 = \$ 68,571</p> <p>Recalculated charge for old item: \$228,571</p> <p>c. Comparison of previous old item NC charge with recalculated NC charge for old item.</p> <p>Recalculated <u>Old Item Charge</u> \$228,571 divided by <u>Old Item Charge</u> \$400,000 = 57 percent, a 43 percent decrease and \$171,429 NC Unit Charge decrease.</p> |  |
| <p><b>Step 6:</b> Action Required.</p> <p>Prepare DSAA package because the change in the NC rate in Step 5 Step 5 exceeds 30% and the unit charge decreases by more than \$50,000.</p>  |  |
| <p><b>Step 7:</b> Proof: Verify that cost pool has been fully allocated.</p> <p>Old item 1,000 QTY X \$228,571 (Old Item Charge) = \$228,571,000<br/>           New item 1,000 QTY X \$148,571 (New Item Charge) = \$371,430,800<br/>           Total \$600,001,800<br/>           Rounded to: \$600,000,000</p> <p><u>Cost Pool</u><br/>           Old Item \$400,000,000<br/>           New Item \$200,000,000<br/>           Total \$600,000,000</p> <p>Difference -0-</p>   |  |

**0704 CASH SALES OF DEFENSE ARTICLES FROM NEW PROCUREMENT FOR DIRECT DELIVERY AND PARTICIPATION IN NEW PRODUCTION**

**070401. General.** Defense articles procured for cash sales to an eligible foreign government or international agency, pursuant to Section 22 of the AECA [reference (a)], for direct delivery shall be priced to recover full contract cost to the Department of Defense, DoD recurring contract support costs, and applicable DoD surcharges. Revised costs may need to be reflected from time to time in order to indicate increases due to escalation of labor and materials or to reflect other changes in production and procurement costs. The purchaser shall be obligated to pay any damages or costs that may accrue from the purchaser's cancellation of the contract. The administrative charge (see paragraph 070602) shall be added to the contract cost and included in billings for incurred costs. An illustration of the price computation is at Table 704-1.

**070402. Items to be Replaced by Later Production (Diversion).** Sale of items from new production and procurement, when such items are diverted from Military Department delivery schedules to be replaced by later production, shall be priced at current production cost or replacement production cost, whichever is higher.

**070403. Cost Principles**

A. In general, DoD articles shall be priced on the basis of the same cost principles as are used in pricing DoD contracts covering items for DoD use. However, recognition shall be given to other reasonable and allocable contractor costs and risks to the extent permitted in the Federal Acquisition Regulation (FAR) [reference (g)].

B. Unless the provisions of Section 22b of the AECA are involved, when insufficient funds are available in the FMS Trust Fund account of a foreign government to meet current cash requirements, DSAA shall initiate, through the responsible DoD Component, terminations for convenience or other adjustments to selected

contracts that will balance current cash requirements with available funds. Special attention is directed to Section 502 of this Volume. This condition should not occur without notification to the FMS Customer. Before terminating under these conditions, the contracting officer shall determine whether or not the contractor is willing to continue performance at his or her own risk. If the contractor is so willing, an appropriate contractual agreement shall be bilaterally signed so as to (a) limit the government's contractual liability to the available funds; (b) provide for appropriate passage of title to the FMS customer for any materials or services that have not been accepted but may be covered by progress payments, partial payments, or reimbursed costs; and (c) provide for an equitable adjustment in the event the termination for convenience is not issued in favor of continued performance. When other forms of contractual adjustments are used, they shall provide for equitable adjustment as appropriate and as permitted by reference (g).

**070404. Recovery of Nonrecurring RDT&E and Nonrecurring Production Costs.** The price shall include recovery of nonrecurring research and development test and evaluation, and nonrecurring production costs as specified in DoD Directive 2140.2 [reference (r)]. Paragraph 070305 contains further discussion of these costs.

**070405. Recovery of Contract Administration Services Costs Incurred in Support of New Procurements for FMS**

A. **General.** The cost of contract administration services functions as identified in the FAR [reference (g)] and contract audit shall be recovered through the application by the SAAC of a percentage surcharge to the delivery transactions reflecting disbursements to contractors for FMS procurements on which applicable contract administration services have not been waived. This surcharge is subject to waiver in whole or in part under Section 21(h) of the AECA [reference (a)](see paragraph 070104.C.3. of this Volume), and is waived in its entirety for the NATO E3A Cooperative Program (see paragraph 070104.C.2.). A listing of waived programs is included in Section 1301 and Table 1301-1 of DoD 5105.38-M [reference (e)]. The

surcharge shall be reviewed annually by the Office of the Comptroller, DoD to determine if it should be changed. The amounts collected as a result of the application of the surcharge shall be credited to a surcharge account maintained by the SAAC and used to reimburse DoD Components for contract administration services performed.

#### B. Responsibilities.

1. The Office of the Comptroller, DoD shall review annually the contract administration surcharge and revise as necessary.

2. The Security Assistance Accounting Center (SAAC) shall:

a. Establish and maintain the contract administration services account.

b. Maintain a list of FMS cases for which complete or partial waivers of the contract administration costs have been granted.

c. Apply the prescribed surcharge, or the applicable portion in the case of partial waivers, to reported disbursements from delivery transactions received on or after October 1, 1980, for all FMS cases that are not included on the waiver list (see subparagraph B.2.b., above) with delivery source codes BB, DA, DB, DC, DD, DE, DK and ED and price code N (see paragraph 080402).

d. Pay DoD Components for billing of actual contract administration services costs.

e. Increase the amount billed to FMS customers as a result of disbursement to contractors by the amount derived by applying the surcharge percentage to these disbursements.

#### C. Prescribed Contract Administration Services Surcharge.

1. The following surcharges are prescribed for SAAC application to disbursement with reimbursable codes and delivery source

codes described in subparagraph B.2.c., above (NATO E-3A Program is exempt):

|  |      |
|--|------|
| Quality Assurance and Inspection       | 0.5% |
| Other Contract Administration Services | 0.5% |
| Contract Audit                         | 0.5% |
| Total                                  | 1.5% |

2. If no waiver has been granted pursuant to Section 21(h) of the AECA [reference (a)], SAAC shall apply the full 1.5 percent surcharge. Waiver of the charges for either the quality assurance and inspection, contract administration services, or contract audit under Section 21(h) of reference (a) shall result in the SAAC application of the remaining surcharges. For example, if quality assurance, inspection, and contract audit costs are waived, SAAC shall apply the 0.5 percent surcharge for "other contract administration services." SAAC shall use the list referenced in paragraph B.2.b., above, as a basis for determining charges. Any cases not on this list shall be assessed the full amount of the surcharge. The waived contract administration cost for FMS cases included on the list shall be charged to DoD appropriations. SAAC shall reject billings from DoD Components for charges that have been waived.

**070406. Recovery of Contract Administration Services Costs Incurred in Support of Foreign Country Commercial Contracts.** DoD support of commercial contracts awarded by foreign countries and international organizations represents an FMS sale of services. The manhours expended in support of these commercial contracts shall be accumulated and billed at an FMS contract administrative hourly labor rate published each fiscal year by the Office of the Comptroller, DoD. The hourly rate shall include appropriate charges for TDY, use of DoD assets, and unfunded civilian retirement costs. For further discussion on foreign country commercial contracts, see Section 205 of this Volume.

#### **070407. Recovery of Costs for Government-Furnished Materiel (GFM)**

A. GFM provided from inventory shall be billed to the FMS case as "work in process" when the GFM is shipped from a depot to a contractor (see Table 804-13). The billing

price shall be the same as a direct sale to an FMS customer, plus applicable accessorial costs. The various categories of accessorial costs and the method of calculating them are set forth in Section 705.

B. GFM provided from another contractor shall be billed to the FMS case as "work in process" when payments are made to the contractor supplying the GFM. In the event shipment is through a Government Bill of Lading (GBL), the applicable transportation accessorial charge, as set forth in paragraph 070503, should also be billed as "work in process." Contracts with contractors providing GFM directly cite the FMS Trust Funds as the financing source to the maximum extent possible.

C. When precious metals recovered under the precious metals recovery program are provided as GFM to a contractor, the material shall be valued at the market price on the date it is provided to the contractor. Market price shall be determined from any authoritative publication, such as *The Wall Street Journal*.

**070408. Recovery of Other DoD-Funded Services in Support of FMS Procurements**

A. The cost of DoD-provided or-funded engineering services that are required to solve problems encountered during the production run shall be allocated to FMS customers based upon the number of their items that are in the production run.

B. If components are procured for an FMS customer and assembled by DoD personnel, assembly labor costs shall be assessed in accordance with paragraph 070802.

C. If a contractor is designated as the source of supply for nonstandard items to be procured for FMS customers, the contract price for applicable items will normally include the additional cost incurred to research and procure the nonstandard items. Any reasonable method of allocating these additional costs is acceptable. The test of the reasonableness of the contractor's costing allocation would be acceptance of the method by the Defense Contract Audit Agency.

**070409. Special Considerations.** Cost of deviations from U.S. Government configuration and special technical data desired by a foreign government shall be included as a charge to the foreign governments.

**0704010. Production by a Foreign Government.** When a portion of the production quantity is to be produced by the purchasing foreign government, costs shall be computed separately, in accordance with cost methods established by the foreign government and accepted by the U.S. Government.

**0704011. Recoupment of Interest Penalties Due to "The Prompt Payment Act of 1982" [reference (s)].** Interest penalties incurred on FMS procurements will be initially financed from funds of the paying activity. An analysis of FMS interest payments will be prepared and submitted to the Security Assistance Accounting Center (DFAS-DE/IR (SAAC)) monthly and will identify the country, case, contract number, and reason for late payment. See paragraph 021102 of this Volume.

A. Any interest penalties incurred under "The Prompt Payment Act of 1982" [reference (s)] will be included in delivery transactions to SAAC. See Table 804-19.

B. Within 50 days after the fiscal year ends, DoD Components shall submit to DSAA a report of Prompt Payment interest penalties which have been included in delivery transactions.

**0704012. Contract Review.** The DoD Components will make every effort to obtain the final price for contract provided items within 180 days of reported delivery.

TABLE 704-1 PRICE COMPUTATION EXAMPLE NEW PROCUREMENT

|   |                               |
|---|-------------------------------|
| Contract Price (See paragraph 070401)                             | \$1,000,000.00                |
| Pro Rata Share R&D <sup>1</sup> (\$2500 each X 20 items)          | 50,000.00                     |
| Contract Administration Services (1.5%)                           | 15,000.00                     |
| Government-Furnished Equipment (GFE)                              | 25,000.00                     |
| Packing, Crating, and Handling of GFE (3.5%) <sup>3</sup>         | 875.00                        |
| Transportation of GFE from Depot to Contractor Plant <sup>3</sup> | <u>938.00</u>                 |
| FMS Selling Price (20 items)                                      | \$1,091,813.00 <sup>1,2</sup> |
| FMS Unit Selling Price  | \$54,590.65 <sup>1,2</sup>    |

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<sup>1</sup> Transportation of end item, if applicable, and administrative surcharges are additive to the selling price.

<sup>2</sup> See Tables 804-10 through 804-14 for billing. Note that in the billing example, the extended value shown in Table 804-10 does include the contract administrative services surcharge, applied by SAAC against contract payments.

<sup>3</sup> PC&H and CONUS transportation are applicable if the GFE are purchased from procurement citing the case funds. For the purpose of this example, the GFE (\$25,000) are considered to be all procurement-funded items with unit costs of less than \$10,000. PC&H and Inland CONUS Transportation are not applicable if the GFE is shipped from inventory by the Defense Business Operations Fund, as the cost is included in the standard price of the item.



**0705 ACCESSORIAL COSTS**

**070501. General.** Accessorial costs represent certain expenses incident to issues, sales, and transfers of materiel which are not included in the standard price or contract cost of materiel. A description of the various types of accessorial costs which may be applicable to FMS shipments follows:

**A. Packing, Crating and Handling (PC&H) Costs.** The costs incurred in DoD facilities for labor, materials, or services in removing requisitioned articles from storage locations, preparing them for shipment from the storage or distribution points, and processing necessary materiel release confirmation documents. The costs are incurred on all articles sold from stock to FMS customers. (Note: Not applicable to delivery of stock fund/Defense Business Operations Fund items reported after October 1, 1990)

**B. Transportation Costs.** The cost of DoD-provided or financed inland transportation (L1A) (land, air, inland and coastwise waterways) in the United States and outside the United States, and overseas transportation by vessel or air; includes parcel post (L1D) via surface or air. (Note: Inland CONUS (L1A) not applicable to delivery of stock fund/Defense Business Operations Fund items reported after October 1, 1990; Parcel post (L1D) and commercial package carrier (L1E) charges are not applicable after October 1, 1991).

**C. Port Loading and Unloading Costs.** The cost of DoD-provided or financed labor, materials or services for loading, unloading and handling at ports of embarkation or debarkation. Transportation charges for the use of the DoD transportation system, as set forth in paragraph 070503 below, include applicable loading and unloading costs.

**070502. Packing, Crating, and Handling.** Standard PC&H rates will be applied to the selling price of materiel sold from DoD inventories to recover the cost described in paragraph 070501.A., above. The PC&H rate will not be assessed on DoD stock fund/Defense Business Operations Fund items delivered after October 1,

1990 since the costs for PC&H are included in the standard stock fund/Defense Business Operations Fund price. Additionally, PC&H will not be assessed on articles shipped directly from the manufacturer since no in-house DoD labor, material, or services are involved. Prescribed PC&H rates are:

A. A PC&H rate of 3.5 percent will be added to the selling price of materiel with a unit price of \$50,000 or less.

B. An additional charge will be added equal to one percent of that portion of the selling price of materiel over \$50,000.

C. Examples of PC&H price computations follow:

1. Item with a unit price of \$8,500:

$\$8,500 @ 3.5\% = \$297.50$  PC&H charge

2. Item with a unit price of \$62,000:

|                                  |                      |
|----------------------------------|----------------------|
| $\$50,000 @ 3.5\% =$             | $\$1,750.00$         |
| $\underline{\$12,000 @ 1.0\% =}$ | $\underline{120.00}$ |
| $\$62,000$                       | $\$1,870.00$         |

D. The PC&H charge for service/maintenance cases is applied to the unit cost of the item (or items) sold or serviced, not the cost of the service. The rate in subparagraphs A and B above apply.

**070503. Transportation.** For other than Defense Business Operations Fund materiel, transportation of FMS materiel shall be on collect commercial bills of lading. When transportation shall be accomplished through a GBL, the GBL shall be annotated to show that normal commercial rates will be billed to the U.S. Government for the shipment. Section 10721 of the Interstate Commerce Act of 1887 [reference (m)] is not applicable to FMS shipments, including "stock fund" items shipped from the Defense Business Operations Fund.

A. DoD Components shall apply rates contained in Table 705-1 to the selling price of materiel with a unit price of \$10,000 or less to

calculate the cost for billing customers for the use of the DoD Transportation System. When an item has a unit selling price over \$10,000, the applicable rate from Table 705-1 shall be applied to the first \$10,000 of the item's unit cost and 25 percent of the same rate to the remainder of the unit price, to estimate a price for the use of the DOD transportation system. For example, an item priced at \$50,000 with a delivery code to Newfoundland would require a transportation charge of \$3,249 (\$10,000 at 16.25 percent and \$40,000 at 4.06 percent).

B. Costs for the staging of materiel in CONUS DOD (non-Defense Business Operations Fund owned/operated) facilities are additions to DOD transportation system costs, and a 3 percent staging charge is applicable, if DSAA has authorized "below-the-line" recoupment of staging. Defense Business Operations Fund owned/operated facilities shall bill actual costs incurred as an "above-the-line" service. Normally, the actual costs of staging shall be recovered as part of an "above-the-line" service charge. Such charges shall not be duplicative of any other accessorial cost. When nonexcess materiel is provided from DOD storage points located outside CONUS, the applicable rates (see Table 705-1) shall be charged as a prepositioning cost. For example, if the materiel being sold is stored in Germany and costs \$10,000 or less, a 14.25 percent prepositioning charge would be applied. If transportation to the FMS customer is necessary, it normally shall be accomplished through the use of collect commercial bills of lading. If DOD transportation is used to move articles from an overseas storage location to a point designated by the FMS customer, actual or estimated transportation costs shall be billed to the FMS customer. In estimating the cost of overseas DOD transportation, a 3 percent factor shall be used for overseas land transportation, 1 percent for overseas port loading, and 1 percent for overseas port unloading. An actual dollar amount shall be determined by the supplying DOD Component to recoup the cost of ocean or air transportation.

C. The use of estimated actual charges is authorized for certain items approved in advance by OASD(C) and DSAA when the established percentages for use of the DTS are

significantly different from the estimated actual charges. DSAA will establish and maintain a look-up table to reflect the estimated actual transportation charges for the DTS shipment of approved items. Only items on this look-up table qualify for the billing of estimated actual rates, unless approval is received from DSAA with OSD(C) concurrence. See Section 805 of this Volume for detailed procedures.

**TABLE 705-1 STANDARD TRANSPORTATION PERCENTAGES**

|  | Percentages Used<br>When Shipped by<br>the Defense<br>Business<br><u>Operations Fund</u> | Percentages Used<br>When Shipped by<br>Other Than the<br>Defense Business<br><u>Operations Fund</u>      |
|--|--|--|
| 1. <u>Delivery Term Code 2</u>   |  |  |
| a. FOB Destination - inland origin to inland destination within CONUS/Canada (except Newfoundland and Labrador).   | 0.00   | 3.75   |
| b. FOB destination- inland origin to inland destination in a foreign country other than Canada.  | 0.00   | 3.00 +<br>delivery code 7<br>charges if material<br>is to be replaced<br>(see subparagraph<br>070503.C.) |
| 2. <u>Delivery Term Code 4</u> - Recipient Country is responsible for the cost of CONUS transportation and subsequent arrangement for onward movement or when transportation is provided as a case line such as high flight or special assignment airlift mission. | 0.00   | 0.00   |
| 3. <u>Delivery Term Codes 3 and 5</u> - DOD movement for FMS customer in CONUS/Canada (except Newfoundland and Labrador).  | 0.00   | 3.75   |
| 4. <u>Delivery Term Code 6</u> - DOD movement from point of origin to and including ocean transportation to overseas port of discharge:  |  |  |
| a. To Europe, Hawaii, Latin America (Central America and Caribbean Basin) and Mediterranean Ports  | 6.50   | 10.25  |
| b. To Newfoundland, Labrador, Thule, Iceland, South America (East and West Coasts), Far East, African ports (other than Mediterranean), and Near East  | 8.50   | 12.25  |
| 5. <u>Delivery Term Code 7</u> - DOD movement from point of origin to, and including, inland carrier delivery to the specified inland location (includes overseas movement of parcel shipments via the Military Postal Service through APO/FPO channels):          |  |  |
| a. To Europe, Hawaii, Latin America (Central America and Caribbean Basin) and Mediterranean Ports  | 10.50  | 14.25  |

**TABLE 705-1 STANDARD TRANSPORTATION PERCENTAGES (CONTINUED)**

|   | Percentages Used<br>When Shipped by<br>the Defense<br>Business<br><u>Operations Fund</u> | Percentages Used<br>When Shipped by<br>Other Than the<br>Defense Business<br><u>Operations Fund</u> |
|---|--|---|
| b. To Newfoundland, Labrador, Thule, Iceland, South America (East and West Coasts), Far East, African ports (other than Mediterranean), and Near East | 12.50  | 16.25   |
| 6. <u>Delivery Term Code 8</u> - DOD movement from point of to , and including, unloading, handling, and storage aboard vessel at port of exit        | 2.50   | 6.25  |
| 7. <u>Delivery Term Code 9</u> - DOD movement from point of origin to, and including, vessel discharge at the point of discharge:                     |  |   |
| a. To Europe, Hawaii, Latin America (Central America Caribbean Basin) and Mediterranean Ports   | 7.50   | 11.25   |
| b. To Newfoundland, Labrador, Thule, Iceland, South America (East and West Coasts), Far East, African ports (other than Mediterranean), and Near East | 9.50   | 13.25   |

Note: At the time of preparation of the LOA if it is known and authorized that materiel will be shipped via Special Assigned Airlift the cost should be a line on the case and will be priced as an estimate of cost. This shipment will cite the line on the case for reimbursement.

**0706 ADMINISTRATIVE CHARGES**

**070601. General.** An administrative surcharge shall be added to all FMS cases (unless the recoupment of administrative expenses has been waived pursuant to legal authority, see Paragraph 070104) to recover DoD expenses related to the functions of sales negotiations, case implementation, procurement, program control, computer programming, accounting and budgeting, Reports of Discrepancy (RODs) administration, and administration of FMS training cases at command headquarters and higher levels. Applicable DoD Component costs are recouped in accordance with paragraph 070603. The Letter of Offer and Acceptance payment schedule shall include, as a part of the required initial deposit, an amount equal to 50 percent of the administrative charge applied to the basic sale price as specified in paragraph 070602. The remaining 50 percent of the administrative charge shall be included as equal percentage installments within each of the estimated payments.

**070602. Prescribed Standard Administration Charges**

**A. Supply Support Arrangements.** An administrative charge of 5 percent shall be added to the basic sales price on the initial on-hand portion of Cooperative Logistics Supply Support Arrangements (CLSSA) (See paragraph 070708 for detailed instructions).

**B. FMS Orders for Nonstandard Articles and Services.** An administrative charge of 5 percent shall be added to the basic sale price of FMS orders for nonstandard articles and services. However, the 3 percent administrative charges shall be applied under the following two conditions:

1. A contractor is designated as the source of supply in lieu of a DoD Component performing additional work for the nonstandard articles and services. (See paragraph 070408.)

2. A case management line is included in the Letter of Offer and Acceptance that specifically recovers costs associated with

the tasks performed in support of the sale of nonstandard articles or services.

**C. All other FMS Orders.** Administrative charges for FMS cases not included in Section A above, are dependent upon the date the applicable LOA or amendment is signed out by the cognizant Military Department or Defense Agency. For cost increases within the scope of the LOA, modifications retain the administrative rates current at the time the applicable LOA or amendment was signed out. While the following administrative rates are applicable for the periods shown below, if an amendment adds a new line to an FMS case implemented prior to October 1, 1977, the 3 percent administrative rate is applicable to the new line:

1. January 29, 1970 - March 9, 1977. A 2 percent administrative rate, unless the supplying Military Department had determined that the rate was either insufficient or in excess of actual administrative expense for any single FMS case. The use of actual FMS case administrative expense was authorized.

2. March 10, 1977 - September 30, 1977. A uniform 2 percent administrative rate for offers signed out during this period.

3. October 1, 1977 - Present. A uniform 3 percent administrative rate for offers signed out after October 1, 1977.

**070603. Actual Administrative Expenses.** Those DoD organizations which provide general administrative support of the FMS program shall recoup the full cost (excluding a pro rata share of fixed base operations costs) of providing such support. Costs charged in connection with administrative support shall not include costs which are prescribed in this Volume as above-the-line costs. Above-the-line costs include (1) contract administration services, see Section 704; (2) case management, see Section 718; (3) recurring contract support costs, see paragraph 070408, and (4) administration of FMS training cases at the installation level which are to be included in the tuition rates. Administrative support cost also does not include the cost of calculating nonrecurring recoupment charges and royalty fees which is a DoD mission cost.

A. The personnel portion of actual administrative expenses shall include a pro rata share of those personnel who spend 10 percent or more of their time performing FMS duties. If an organization's manpower staffing is based upon routinely maintained workload statistics (such as the number of travel orders processed), the FMS administrative personnel expense shall be determined from equivalent FMS workload statistics. In other words, if FMS workload is 25 percent of total workload, then 25 percent of the organization's payroll cost shall be funded through FMS administrative surcharges. Identification of chargeable personnel in base support activities (such as security and civilian personnel specialists) is determined by the incurrence of additional cost to support non-Base Operations Support (BOS) FMS administrative activities, and not by the criteria used in performing an operational audit (e.g., activity frequency, frequency conversion factor, frequency per month, allowed manhours per accomplishment, allowed manhours per month, etc.). These elements which are used in measuring manpower requirements do not in and of themselves prove that incremental costs have been incurred. Thus, there is a different standard for charging BOS personnel, i.e., conclusive demonstration that actual additional costs are being incurred to support non-BOS FMS administrative activities versus charging non-BOS personnel a pro rata share of those personnel who spend 10 percent or more of their time performing (hands-on) duties. The cost of identified personnel shall be computed in accordance with paragraph 070201.

B. Other actual or estimated actual administrative costs include:

1. Travel costs, including per diem and transportation, incurred in the administration of the FMS program which cannot be directly related to mission requirements of a single case or program. (Special care is required in this area. See Section 718.)

2. Automatic data processing costs, excluding equipment cost or depreciation charges, to support FMS workload based on proration of machine time required to produce general FMS reports or transactions.

3. Printing and reproduction costs incurred primarily for the benefit of the FMS program.

4. Communications, utilities, and office supply costs incurred primarily for the general administration of the FMS program.

5. Equipment costs, both purchased and rental, when such costs are specifically incurred to support the administration of the FMS program.

6. Rental charges at fully dedicated FMS activities for floor space rental.

7. Administrative costs of Reports of Discrepancy (RODs). This cost includes the "net cost" to the Department of Defense for processing RODs for overage, shortage, damage, item deficiency, and duplicate billing. Such costs exclude discrepancies that are attributable to damage or loss, occurring after passage of title. Normally, FMS shipments move from the depot or vendor's plant on collect commercial bills of lading with title passed at point of origin. However, occasionally shipments move under Government Bills of Lading. Under either of these conditions, title passes at the point of origin and if damage or loss occurs subsequent to title passage, payment is not to be made from the administrative fund (this is, claims should be submitted against the common carrier). See Chapter 8, Section 802 of DoD 5105.38-M [reference (e)], for more detailed information.

C. DSAA shall ensure that an appropriate share of the cost of Military Assistance Advisory Groups and military missions shall be charged to administrative expense.

**070604. Administrative Charges on Canceled Cases**

A. Earned reimbursements for administrative surcharges are normally not refundable, i.e., the 50 percent that is earned when the case is accepted.

B. The administrative surcharges may be charged in accordance with the following guidance:

1. For cases under \$25 million that are canceled, SAAC shall retain a portion of the administrative surcharge that equals one-half of the applicable administrative percentage of the estimated articles/services ordered value, or the administrative rate times the actual articles/services delivered at closure, whichever is higher.

2. For cases over \$25 million that are canceled, DSAA Comptroller shall determine the appropriate administrative charge; however, the charge shall normally be at least \$250,000.

C. DSAA may approve waivers or reductions outside of the above parameters if circumstances dictate. Such waivers or reductions shall be fully documented and demonstrate that estimated administrative costs incurred on the case have been recouped.

D. Cases canceled for the convenience of the U.S. Government will not incur an administrative cancellation fee. DSAA shall make this decision.

#### **070605. Waived Administrative Charges**

A. General. Cost of administrative effort applicable to FMS cases on which the normal administrative surcharge has been waived or reduced, pursuant to statute, must be reimbursed to the FMS administrative surcharge account. Therefore, the IA which is the proponent of the case on which the charge has been waived shall obligate its current operation and maintenance appropriations for the full amount being waived annually. The amount of the earned administrative charges, which is the value of the administrative charge (currently 3 percent) is to be charged to Program 10. The SAAC shall then apply the established FMS administrative surcharge to accrued expenditures recorded against the case on which the normal administrative surcharge was waived and submit quarterly SF 1080 "Voucher for Transfer Between Appropriations and/or Funds" billings to the

appropriate IA for the amount that would normally be payable by the FMS customer.

B. Fund Control. A recommendation to approve a waiver of the normal administrative surcharge shall be accompanied by a miscellaneous obligation document which identifies the financing appropriation and the dollar value of the waiver. The IA shall certify that funds are available. The approving officials shall sign the obligating document. The provisions of DoD Directive 7200.1 [reference (f)], "Administrative Control of Appropriations," are applicable.

#### **0707 COOPERATIVE LOGISTICS SUPPLY SUPPORT ARRANGEMENTS**

**070701. General**. DoD Directive 2000.8 [reference (t)] prescribes the policies and criteria for establishing cooperative logistics supply support arrangements. These cooperative logistics supply support arrangements provide for the execution of Foreign Military Sales Orders (FMSOs) covering stockage, consumption, and storage (Note: There is no annual inventory maintenance and storage charge for stock fund/Defense Business Operations Fund items for CLSSAs as the stock fund/Defense Business Operations Fund standard price recoups all costs). Two FMS cases are required for supply support arrangements: the FMSO I and the FMSO II. Both cases shall be executed in order for FMS requirements to be anticipated and to be satisfied on an equal footing with U.S. requirements.

A. The FMSO I case is subdivided into two parts: Part A represents the on-hand portion of the inventory (normally 5 months) and Part B represents an on-order dependable undertaking (normally a 12 month period). Both parts of the FMSO I provide obligational authority equal to its value in the DoD Component activity providing the supply support to the customer. Cash paid on acceptance of the FMSO I is to equal the Part A on-hand portion of the inventory and administrative surcharge. The cash required to liquidate obligations incurred with suppliers for the on-order portion is the cash paid by the customer in connection with the FMSO II case, and in turn creates a new order received and recreates obligational authority back to the FMSO I.

B. The FMSO II case represents the foreign customer's anticipated yearly consumption under the cooperative logistics supply support arrangement. Cash to cover requisitions is paid in advance of each quarter covered by the case.

The cycle of obligation, acquisition, requisition, issuance, and payment can be summarized as follows:

1. FMSO I, Parts A and B, give the DoD Components obligational authority up to the case amount.
2. The cash provided under FMSO I, Part A, finances the on-hand inventory.
3. Requisitions made by the customer are filled from the on-hand inventory.
4. Replenishment of on-hand inventory is made from contracts awarded under obligational authority granted by FMSO I, Part B.
5. Payments to contractors are made from funds provided in accordance with FMSO II terms.
6. Liquidation of obligations by payment to contractors in effect recreates obligational authority granted by FMSO I, Part B, and the cycle commences again.

C. In accordance with the concept, the entire amount of the FMSO I case represents obligational authority. Normally, no cash billings are required against the FMSO I, Part B, unless the cooperative logistics supply support arrangement is either partly or wholly terminated. The FMSO II case provides obligational authority only to the extent that cash is received. Thus, proper working of the FMSO I and II should result in a constant 12 months of obligational authority in the applicable appropriation or fund account, never more or less, after the on-hand inventory of FMSO I, Part A, has been acquired.

D. The cash and obligational authority derived from the FMSO I and FMSO II are to be transferred to the Commodity Command or Supply Agency that is expected to provide

supply support to the foreign country. This Command or Stock Agency shall use such cash and obligational authority to increase stock and on-order quantities in anticipation of requisitions from the country which entered into the supply support arrangement.

E. In unusual circumstances, it may be determined that the 5-month on-hand and 12-month on-order levels are inappropriate for the particular equipment being supported. In these circumstances, the on-hand and on-order requirements may be adjusted to more realistically reflect the DoD on-hand and on-order levels for the items being supported. Documentation in support of such determinations shall be retained by the office that developed the supply support arrangement.

**070702. Customer Equity.** Supply support arrangements are written in terms of an absolute dollar amount of support to be provided under the arrangement. A listing of the specific items required to support the weapon system is not developed. Under this "dollar value" concept, the FMS customer's equity shall remain valued at the cash deposited for the FMSO I. Upon termination, a review shall be made of the foreign country's demand data for specific items. When these demand data result in the procurement of stock above the DoD-approved retention levels, the foreign country shall be informed that applicable stocks owned by that country must be drawn down or that a settlement agreeable to both parties must be reached.

**070703. Pricing.** Paragraph 070302.B sets forth the pricing requirements.

**070704. Storage Costs.** Storage fees shall be charged based on the on-hand portion of the FMSO I. Normally, the on-hand portion represents 5/17 of the total case value. The annual storage fee is 1.5 percent. For cases not remaining open a full year, a fee of .125 percent a month shall be charged. (Note: There is no annual inventory maintenance and storage charge for stock fund/Defense Business Operations Fund items for CLSSAs as the stock fund/Defense Business Operations Fund standard price recoups all costs).



**070705. Obsolete Materiel.** If an item becomes obsolete or excess to the United States but not to the foreign government, the United States may request the foreign government to withdraw its undelivered quantity of the item. Additional quantities may be offered to the foreign government at fair value prices (Paragraph 070304.A., above). If items become obsolete or excess to the requirements of the foreign government but not to the United States, the foreign government may request the United States to consider cancellation of its order and to apply its equity in the undelivered quantity to subsequent orders for other items. If cancellation is not agreed to, arrangements shall be made for the United States to dispose of the materiel and credit the net proceeds to the foreign government. If the United States has a need for the materiel, appropriate credit to the stock level case for return of the materiel to stocks of the United States shall be made in accordance with the departmental procedures for credit allowance for return of materiel [see DoD 7420.13-R, reference (u)]. If items become obsolete or excess to the requirements of both the United States and the foreign government, arrangements shall be made for the United States to dispose of the materiel and the proportional share of the net proceeds of sale shall be credited to the foreign government.

**070706. Unusual Inventory Loss.** Stock losses due to enemy action, major disaster, or other casualty from a natural phenomenon shall be assessed against the foreign government in an amount proportionate to the ratio that the value of its stock case bears to the total value of stocks in storage.

**070707. Normal Operating Inventory Loss.** The standard prices paid by the foreign government for stock level of stock fund/Defense Business Operations Fund items already include in a surcharge for estimated normal operating losses in storage.

**070708. Administrative Surcharge**

A. A one-time nonrefundable, administrative surcharge of 5 percent shall be charged on the on-hand portion (Part A) of the FMSO I case. For amendments that decrease the

value of the on-hand portion (Part A), there shall be no adjustment made to the administrative surcharge. However, for amendments that increase the value of the on-hand portion (Part A), the 5 percent nonrefundable administrative surcharge shall be charged on the total value of the amendments. Table 707-1 illustrates the 5 percent administrative fee computation.

B. No administrative surcharge shall be charged on the on-order portion (Part B) of the FMSO I case. A 3 percent administrative surcharge shall be charged on requisitions processed under FMSO II cases. If an FMSO I agreement is terminated, an administrative surcharge of 5 percent shall be charged for the inventory over and above the on-hand portion of the case. There shall be no additional surcharge on the on-hand portion of the case, since the customer has made advance payment of the administrative charges applicable to this portion of the case.

**TABLE 707-1 FIVE PERCENT ADMINISTRATIVE FEE COMPUTATION**  
**FMSO I - ON-HAND MATERIEL (PART I)**

| <u>Amendment</u> | <u>Revised On-Hand Materiel Value</u> | <u>Increase or Decrease to Previous On-Hand Materiel Value</u> | <u>5% Admin Fee Charge on Increase</u> | <u>5% Admin Fee Accrued Exp.</u> |
|------------------|---------------------------------------|--|--|----------------------------------|
| Basic LOA        | \$3,000,000                           | \$3,000,000  | \$150,000                              | \$150,000                        |
| Amend 1          | 4,000,000                             | 1,000,000  | 50,000                                 | 200,000                          |
| Amend 2          | 2,000,000                             | (2,000,000)  | 0                                      | 200,000                          |
| Amend 3          | 3,000,000                             | 1,000,000  | 50,000                                 | 250,000                          |
| Amend 4          | 5,000,000                             | 2,000,000  | 100,000                                | 350,000                          |
| Amend 5          | 4,000,000                             | (1,000,000)  | 0                                      | 350,000                          |

**0708 STORAGE, REPAIR AND/OR MODIFICATION OF CUSTOMER-OWNED MATERIEL**

**070801. Storage.** Costs applicable to storage of customer-owned articles include the functions of receiving, care and preservation in storage, set assembly and related other storage activities, and overhead in storage operations, such as re-warehousing, maintenance of operating equipment, physical inventories, and cleaning storage areas. Storage charges are applicable to the on-hand portion of FMSO I cases and to cases on which DoD is ready to deliver applicable items but has been requested by the customer to delay delivery (Note: There is no annual inventory maintenance and storage charge for stock fund/Defense Business Operations Fund items for CLSSAs as the stock fund/Defense Business Operations Fund standard price recoups all costs). A uniform DoD annual rate of 1.5 percent or .125 percent monthly of the average monthly value of customer-owned materiel will be charged to applicable FMS cases to recover an activity's costs of storage. An illustration of billing for storage, other than FMSO, is at Table 804-17.

**070802. Repair or Modification.** When a foreign government requests the repair and/or modification of items, the actual or estimated cost of the work will be priced on a job order basis. An illustration of price computation is at Table 708-1.

A. Labor cost will be computed in accordance with Section 702 of this Volume.

B. Materials and supplies obtained from the military supply system stocks will be priced in accordance with Section 703 of this Volume.

C. Materials, supplies, or services obtained directly from contractors will be priced in accordance with Section 704 of this Volume.

D. Transportation and related costs incurred in movement of the materials and supplies used incident to repair and/or modification will be priced in accordance with Section 705 of this Volume. (See paragraph 070501.B. for treatment of stock fund/Defense Business Operations Fund materiel).

E. Indirect labor, material, and contractual services will be costed in accordance with the guidance in this Chapter and allocated to job orders.

F. Incoming and outgoing transportation costs related to FMS equipment/materiel processed by repair or overhaul facilities will be paid by the FMS customer. If uniform DoD accessorial rates are used, they should be applied to the DoD standard prices of the items being serviced.

**070803. Administrative Surcharge.** The administrative charge will be applied to all direct and indirect costs which are billed in connection with storage, repair and/or modification.

**070804. Special Instructions Applicable to Industrial Funds/Defense Business Operations Funds.** Industrial fund/Defense Business Operations Fund facilities will charge applicable approved non-DoD stabilized rates and prices for services in support of FMS cases. Stock fund/Defense Business Operations Fund materiel, including depot level reparables, will be priced at the standard price in effect at the time of the drop from inventory.

**TABLE 708-1 PRICE COMPUTATION EXAMPLE OVERHAUL OF CUSTOMER-OWNED MATERIEL<sup>3</sup>**

|   |                 |                           |
|---|-----------------|---------------------------|
| Direct materiel consumed or incorporated (does not include customer-owned materiel)   |                 | \$ 1,000.00               |
| Direct labor hours of "funded" civilian personnel   | 500             |                           |
| Direct labor hourly rate (employee salary and pro rata overhead)  | <u>\$ 20.00</u> |                           |
| Direct civilian labor cost recouped (including unpacking and packing, crating and handling)   |                 | <u>10,000.00</u>          |
| Funded cost recouped  |                 | \$ 11,000.00              |
| "Unfunded" military labor (composite rate, retirement, <sup>1</sup> other personnel costs, leave/holiday & PCS charge)-- E-7, 100 hours |                 | <u>1,472.00</u>           |
| FMS Selling Price   |                 | \$ 12,472.00 <sup>2</sup> |

<sup>1</sup> The administrative surcharge is additive to the FMS selling price.

<sup>2</sup> See Table 804-15 for billing.

<sup>3</sup> This table is general in nature and does not show all costs that may be included. For example, "direct materiel consumed or incorporated. . ." should include transportation, replacement prices and surcharges as appropriate. Also, PCH and transportation charges for the direct material consumed in overhaul items are included in the total overhaul price. (See paragraph 70501.B. for treatment of stock fund/Defense Business Operations Fund materiel). This example assumes that inbound and outbound transportation is paid by the FMS customer. See paragraph 70802.F. If the customer does not pay, the calculation for transportation would be, assuming a \$20,000 item's standard price and the item is not from the Defense Business Operations Fund, is as follows:

$$\$10,000 \times .0375 + \$10,000 \times \frac{.0375}{4} = \$468.75 \text{ for a shipment to a freight forwarder.}$$

**0709 COSTS ALLOCABLE FOR JOINTLY USED FACILITIES**

**070901. General.** When specific agreements or arrangements are made for the joint use of USC facilities (that is, sharing of storage spaces, dedicated training facilities, etc.), a pro rata share of the operating cost initially financed by operating appropriations shall be charged to the foreign customer.

A. When jointly used storage or office space is involved, the pro rata share of operating costs shall be determined on the basis of space assigned to the foreign government versus total space available for assignment.

B. Operating costs shall include, but are not necessarily limited to, cost of maintenance and upkeep of facilities including access roads, security, communications, utilities, and rent, if the U.S. Government must make rental payments under lease agreements.

**070902. Joint Use of Satellites.** When jointly used satellites are involved, the launch cost shall be allocated to each participant based on pre-launch negotiations that consider the expected benefits accruing to each participant. Recurring operating costs shall be pro rated on the basis of time each participant actually uses the satellite.

**0710 TRAINING OF FOREIGN NATIONALS**

**071001. General.** Tuition rates for training shall be based on the costs of providing the training. Detailed instructions to be followed in developing the tuition rates are included in Sections 711 and 712 of this Volume. Any special requirement for the exclusive use of a foreign student shall be reimbursed in full.

**071002. Observers.** Observers auditing a course shall be charged the same price as an enrolled student.

**071003. Pricing Military Pay.** Price military pay using the composite standard rates and acceleration factors published in Appendix C.

Price civilian pay using the current annual salary and acceleration factors in Appendix C.

**071004. DoD Course Cancellations.** A charge of 50 percent of the tuition rate for the course or course phase shall be made for a student who is canceled or rescheduled within 60 days before the starting date of the course or phase. For sequential training, the cancellation charge shall apply only to courses or phases scheduled to start within the 60-day period. No charge shall be made for withdrawal from follow-on training when course cancellations or reschedulings are caused by the U.S. Government or for students who attrit due to academic failure beyond the control of the student, injury or illness incurred during training. Cancellations or reschedulings shall be effective on the date notice is presented in writing to the U.S. overseas security assistance organization (SAO) or other duly appointed and recognized U.S. Government representative. Charges for attrited (separated) students shall not be less than 50 percent of the tuition rate. Further, if the student completes more than half of the course, the cost shall be assessed on a pro rata share (e.g., 70 percent) of the tuition rate, or 100 percent of the tuition rate if a pro rata computation is not practicable. The provisions of this paragraph shall be included on any LOA that covers training. For contractor provided courses, the cancellation fee will be 100 per cent of the course cost. The 60 day limitation for DoD courses does not apply to contract provided courses. No cancellation fee will be assessed when the quota for the contractor provided course is filled by another student.

**071005. Inflation Factors.** Tuition rate estimates for future years shall be adjusted for inflation. The Office of the Comptroller, DoD shall provide factors to be used for this purpose.

**071006. Annual Publication of Rates.** Tuition rates shall be computed annually by the Military Departments and published in the Military Articles & Services List (MASL)[see Section 1503 of reference (e)]. Tuition rates shall be those in effect for the year in which the student enters the course or phase of a course. Approved rates shall remain constant for the year. Adjustments shall be made only to correct significant errors in computation, change in syllabus, or major unan-

anticipated increases or decreases in the cost of such items as POL and salaries. The foreign country shall be billed for the actual time the student is in training when it varies from the scheduled length of the course. Any adjustments shall be made as soon as possible but not later than 90 days after completion of the course.

#### 071007. NATO Rates

A. Training course tuition rates under North Atlantic Treaty Organization Standardization Agreements ratified by the U.S. Government and for Australia, New Zealand, Japan, and with other countries which are major non-NATO allies if based on similar reciprocity agreements, shall include reimbursement for all direct costs, but will exclude:

1. Indirect costs.
2. Administrative surcharges.  
(However, see paragraph 070605.)
3. Cost of billeting trainees  
(except to the extent that members of the U.S. Armed Forces occupying comparable accommodations are charged for such accommodations by the United States).

B. The above exclusions do not apply for dedicated training, e.g., contractor training, dedicated training courses, mobile training teams (MTT's), and extended training services specialists (ETSS).

C. For training at industrial fund/Defense Business Operations Fund activities, direct costs shall be defined for the purpose of these regulations as including a pro rata share of overhead costs distributed in accordance with the prescribed costing procedures for industrial funds/Defense Business Operations Funds. When industrially funded/Defense Business Operations Fund personnel are utilized other than at the industrial fund/Defense Business Operations Fund site, price civilian personnel using the current annual salary and appropriate acceleration factors without overhead costs.

D. NATO countries who are eligible for IMET shall be charged the incremental FMS

prices instead of NATO prices for training (see paragraph 071008).

071008. IMET Rates. Effective October 1, 1985, any student from an IMET-eligible country who is currently receiving IMET funds and who is buying FMS training shall be charged for any incremental cost (additional cost) to the U.S. government for providing the training. Detailed instructions to be followed in developing incremental rates are included in Section 712 of this Volume.

071009. Liability for Damages. Training cases that involve the use of U.S. equipment (such as aircraft, trucks, etc.) and that do not include charges for attrition shall include a statement regarding liability for damages. This statement shall state that the foreign government shall be liable for any damage to such equipment due to negligence on the part of the student. The cost of replacing equipment which is destroyed as a result of student negligence shall be reimbursed in full. See Section 703 of this Volume for instructions on pricing replacement equipment.

071010. Elimination of the Cost of Military Pay and Entitlements. Public Law (P.L.) 99-83 and P.L. 100-461 amend Sec 503(a) of the FAA [reference (a)] of 1961, as amended, and provide for elimination of the cost of military pay and entitlements if the FMS training case is totally financed by the Military Assistance Program (MAP) and/or by non-repayable FMS credits. Training cases shall be priced to exclude military pay and entitlements (including retired pay accrual) only for those cases citing MAP funds and/or FMS Credit (non-repayable) as the exclusive method of funding on the LOA. The exclusion for non-repayable FMS Credit cases is applicable beginning FY 1990. DSAA will commit MAP funds and non-repayable credits on all FMS training cases excluding military pay and entitlements (including retired pay accrual) prior to FMS training cases being offered to a country. Any subsequent amendment/modification serving to reduce the MAP and/or non-repayable credit financing below 100% shall require repricing to add military pay and entitlements to the entire case. The following additional clarification is offered.

A. A country's IMET training program will be charged on an incremental basis. Furthermore, military salaries and entitlements will be excluded for IMET funded assistance.

B. A country receiving assistance under the IMET program that decides to purchase additional training under a totally MAP funded FMS case will be charged on an incremental basis which will exclude military salaries and entitlements.

C. In the event that the purchaser is a NATO member, Japan, Australia, New Zealand, or major non-NATO ally, and has a reciprocal pricing agreement with the USG, the purchaser will be charged full direct costs less reimbursement for indirect costs, administrative surcharges, costs of billeting trainees (except to the extent that members of the United States Armed Forces occupying comparable accommodations are charged for such accommodations by the United States). See paragraph 071007.A.2.

D. If a country is a MAP but not an IMET recipient, and the country purchases training under a totally MAP funded case, the purchaser will be charged at full cost (i.e., includes both direct and indirect costs) less military salaries and entitlements.

**TABLE 710-1 PRICING MATRIX FOR TRAINING**

[Effective October 1, 1985 (FY86)]

|   | FMS | FMS<br>NATO | MAP/IMET       | IMET |
|---|-----|-------------|----------------|------|
| <b><u>PAY &amp; FRINGE BENEFITS</u></b>   |     |             |                |      |
| <b><u>Direct Cost</u></b>   |     |             |                |      |
| Civilian Pay <sup>5</sup>   | X   | X           | I              | I    |
| Civilian Fringe Benefits <sup>1</sup>   | X   | X           | X              | X    |
| Civilian Unfunded Retirement <sup>1,2</sup>   | X   | X           | -              | -    |
| Military Pay <sup>4,5</sup>   | X   | X           | I              | -    |
| Military Fringe Benefits <sup>1,4</sup>   | X   | X           | X <sup>3</sup> | -    |
| <b><u>Indirect Cost</u></b>   |     |             |                |      |
| Civilian Pay <sup>5</sup>   | X   | -           | I              | I    |
| Civilian Fringe Benefits <sup>1</sup>   | X   | -           | X              | X    |
| Civilian Unfunded Retirement <sup>1,2</sup>   | X   | -           | -              | -    |
| Military Pay <sup>4,5</sup>   | X   | -           | I <sup>4</sup> | -    |
| Military Fringe Benefits <sup>1,4</sup>   | X   | -           | X <sup>3</sup> | -    |
| <b><u>CHARGES FOR USE OF DOD ASSETS</u></b>   |     |             |                |      |
| <b><u>Attrition</u></b>   |     |             |                |      |
| Insurance Factor  | X   | -           | -              | -    |
| Replacement cost of equipment lost as a result of student negligence (not included in training course cost-specific bill will be provided if loss occurs) | -   | X           | X              | -    |
| <b><u>NON-PERSONNEL COSTS</u></b>   |     |             |                |      |
| <b><u>Direct Material/Other Costs</u></b>   | X   | X           | X              | X    |
| <b><u>Indirect Material/Other Costs</u></b>   | X   | -           | I              | I    |
| <b><u>INFORMATIONAL PROGRAM</u></b>   | X   | X           | X              | X    |
| <b><u>MAILING FEE</u></b>   | X   | X           | X              | X    |
| <b><u>ADMINISTRATIVE SURCHARGE</u></b>  | X   | -           | X              | -    |

Legend: X = Full Cost  
I = Incremental

**Notes:**

- <sup>1</sup> Applied as a percentage of labor cost.
- <sup>2</sup> U.S. Government contribution which is not included in DoD appropriations.
- <sup>3</sup> The full fringe benefit rate is applied to incremental payroll cost.
- <sup>4</sup> Not charged when case is 100 percent financed by MAP and/or non-repayable FMS credits.
- <sup>5</sup> See paragraph 070202 and 070203 relative to leave and holidays as part of civilian or military pay.



**0711 INSTRUCTIONS FOR COMPUTING  
FMS TRAINING COST**

**071101. Personnel Costs.** Certain costs associated with support of the foreign students or their dependents are considered to be a responsibility of the foreign government but are not included in the tuition rate for training course. Compute and bill these costs as follows:

A. The students pay for meals in the base mess at the rates established in DoD 1338.10-M [reference (v)].

B. Medical care (including outpatient) for students and dependents shall be charged at the rate prescribed by the Office of the Comptroller, DoD. This cost shall be shown as a separate line on the LOA and billed to the foreign country.

C. Normally, student travel and related costs shall be paid to the commercial carrier, etc., by the foreign country or student. For any U.S. services provided, such as, MAC transportation, the nongovernment rate shall be applied and billed to the foreign country or student, as appropriate.

D. DoD policy concerning occupancy of student family housing by foreign students is that they may occupy family housing only after a determination has been made that U.S. student requirements are satisfied and shall be satisfied for the projected duration of the foreign student's occupancy. Under these circumstances, the amount to be charged shall be the cost incurred by the Department of Defense, incident to operation and maintenance of family housing units. Table 711-1 provides guidance for calculating the monthly rental charge for FMS student occupancy of DoD family housing. When foreign students occupy family housing that is not excess to U.S. Military Service needs, the amount to be charged shall be equal to the cost of housing U.S. Military Service personnel on the economy (BAQ and VHA).

E. When foreign students occupy the BOQ/BEQ/VOQ/VEQ, the students shall be required to pay only the local custodial and nonappropriated fund fees.

**071102. Direct Cost and Training Overhead**

A. Certain costs can be directly identified to training courses. Once identified, divide the direct cost by the total number of students enrolled in a course to arrive at a cost per student. In turn, add all of the direct costs per student to be included in the tuition rate.

B. Compute the cost of salaries, allowances, etc., of instructors by dividing the annual instructor cost (see paragraph 071003) by 52 weeks and multiplying the result by the number of weeks in the applicable course. Divide this cost by the average number of students in the class to develop a per-student rate. Alternatively, instructor costs may be allocated on a instructor contract hours basis (that is, total instructor costs divided by total platform man-hours) that allows for a more equitable distribution. Compute the costs of salaries, allowances, etc., of administrative and other personnel supporting training by dividing the total annual cost by total course weeks of training and multiplying result by the number of weeks in the applicable course. Divide this cost by the average number of students in the class to develop a per-student rate.

C. The cost of TDY shall be allocated to courses on the basis of a casual or beneficial relationship. Accordingly, TDY must be segregated into two categories: one for TDY that is caused by or benefits a specific course or courses and the other for TDY that benefits the training operation as a whole. TDY that is directly related to (benefits) one or more courses shall be directly allocated to those courses. In order to preclude "double charging" a course for TDY, care must be taken to ensure that all directly allocable travel is eliminated from the TDY included in the indirect cost pool. TDY that benefits the training operation as a whole shall be allocated to sources by dividing the total indirect TDY costs by total number of students and then multiplying the results by the number of students enrolled in each course to arrive at a course cost.

D. Cost for training U.S. instructor pilots, including proficiency and continuation training, shall be limited to special aircraft not in

the active U.S. aircraft inventory. Divide these costs by the normal tour of duty for an instructor pilot to arrive at an annual cost that shall be distributed to courses in the same manner as instructor salaries and allowances.

E. Cost of training materials, equipment, supplies, aids, munitions, flight clothing, and personal equipment shall be charged to the applicable course. Training material and aids prepared above base level, that are readily identifiable to a course, shall be included as a direct cost of the course. If not readily identifiable to a specific course, distribute these costs to courses in the same manner as indirect TDY costs. Care must be taken to ensure against "double charging" a course.

F. Compute the POL cost for aircraft (rotary/fixed wing), motorized equipment, ships, landing craft, etc., using the equipment hourly cost of POL times the number of operating hours for the course.

G. Depot level maintenance cost of aircraft, engines, motorized vehicles, and equipment shall be charged to the applicable course at the budgeted average hourly item repair cost that includes civilian pay, contractual effort, and supplies. These costs shall be adjusted to include military pay and centrally procured equipment and parts. Multiply this average hourly cost by the hours programmed for use in the specific course.

H. Base level aircraft and equipment maintenance costs (including munitions maintenance) shall be allocated to courses on the basis of total maintenance costs divided by the total training hours supported, if not identifiable and chargeable on a job order basis. Costs shall include military and civilian pay, supplies and equipment (including replenishment spares), and contractual support. If there are a significant number of transit or nontraining aircraft at the base, aircraft operating costs shall be distributed initially between training and nontraining on the basis of percentage of number of takeoffs, number of sorties per year, or maintenance direct labor hours, whichever results in the best allocation of costs in relation to the benefits received. For this purpose, aircraft used by personnel

supporting training for proficiency flying shall be classified as training aircraft.

I. Simulator costs shall include pay of the operators, supplies, and equipment maintenance. Simulator costs shall be allocated to the course in the same ratio as hours used bears to the total hours available.

J. Civil Engineer (Public Works) and other directly relatable support costs allocable to training operations shall be distributed to courses on the basis of total training hour support or any other logical method of measurement; for example, square footage of buildings, etc., (see subparagraph H., above). This category includes: the cost of air operation department; squadron command administration; crash/fire department; maintenance of hangars and airfield pavements and marking; operation and maintenance of communications, navigation aids, airfield lighting, control tower, training facilities, and ground support and refueling equipment. Costs in this category shall include only those that would not be required if the training mission were removed from the installation. If they would remain, were the training mission removed, they shall be combined and allocated along with the other indirect base operating costs in paragraph 071103.

K. Range maintenance and operating costs shall be computed and allocated to courses based on the percentage of sorties or rounds fired in the course compared to the total sorties or rounds fired or any other basis that results in an equitable allocation of these costs.

L. Tuition rates shall include the costs of information programs, including transportation, meals, lodging, admission, programs, and incidental costs thereof. The student assumes the personal costs for laundry, cleaning, telephone service, and all other costs not directly associated with the programmed tour.

M. Include attrition rate of 4% for flying training and/or 1% for non-flying training. There will be a year-end analysis of account activity in accordance with paragraph 030210.G. of this Volume.

**071103. Indirect Base Operating Costs**

A. All other indirect base operating costs shall be allocated initially to major claimants (training, tenants, etc.). The amount allocated to training shall then be distributed to areas of training that are significantly different (flying operations, classroom training, equipment maintenance, etc.). All allocations shall be made at the installation level using engineering estimates or some other basis to ensure that allocations are commensurate with the benefits received. Costs to support or operate quarters, a family housing complex, and food service activities that are applicable to instructors and training support personnel may not be allocated to tuition rates if these costs are recouped in base personnel salaries. The amount allocated to each area of training shall then be distributed to the tuition rate by dividing the amount allocated by the annual estimated student weeks of training. Reduce by 5 percent the amount allocated to foreign students to allow for costs considered inappropriate for allocation, for example, chapel, equal rights office, alcohol treatment, special services, etc.

B. Exclude costs associated with combat development, training development (less course development), nonresident instruction, or other activity that offers no support to the training mission and a pro rata share of school overhead costs to support these elements.

C. Exclude costs associated with units attached to the training activity with duty stations at another location that are not involved in the training of foreign students.

D. Costs related under-utilized capacity and mobilization requirements, when specifically identified and documented, shall be excluded from these allocations.

**071104. Administrative Surcharge.** Apply an overall administrative surcharge of 3 percent to the case cost.

**071105. Shipment of Instructional Materials**

A. Effective October 1, 1983, the shipment of instructional materials shall be

included in the tuition rates for all IMETP/FMS courses based on standard rates. The rates are \$265 for Professional Military Education Courses (Military Articles and Services List, Item identification in the 171 series) and \$65 for all other courses.

B. This material is to be packed and labeled at the training installation and shipped to the Security Assistance Organization (SAO) of the country for delivery to the FMT. A copy of the student's ITO shall be placed inside the package.

C. The training installation shall ensure that no personal baggage or other unauthorized matter is shipped with the instructional material.

**TABLE 711-1 DEVELOPMENT OF FAMILY HOUSING CHARGES FOR FMS STUDENTS**

This table provides guidelines for calculating charges for family housing provided to FMS students. The guidelines shall be used only after a determination has been made that U.S. students' requirements have been satisfied and shall be satisfied for the projected duration of the foreign student's occupancy.

A. Steps to be followed in calculating the monthly rental charges to FMS students are as follows:

Step 1. Use the most recent annual installation family housing cost report to identify the costs incurred in operation and maintenance of installation family housing units.

Step 2. Inflate the annual cost report by the operation and maintenance inflation factor published each year by the Office of the Comptroller, DoD as part of Program Objectives Memorandum and budget guidance.

Step 3. Divide the sum of the amounts determined in Steps 1 and 2 by the number of family housing units located on the installation.

Step 4. Divide the annual average cost to operate and maintain a family housing unit by 12, to arrive at average monthly costs.

Step 5. Add \$100 to the results of Step 4. The \$100 is predicated on average charge for Wherry Housing mortgage amortization and is in lieu of depreciation and interest on investment.

B. A price illustration of the FMS student family housing calculation follows:

|  |                   |
|--|-------------------|
| 1. Total FY 1980 cost incurred by installation in operating and maintaining family housing units | \$ 998,586.00     |
| 2. Addition of FY 1981 inflation factor (11.27%)   | <u>112,541.00</u> |
| Subtotal   | \$1,111,127.00    |
| 3. Annual cost per family unit (449 units).  | 2,474.67          |
| 4. Monthly cost per family housing unit.   | 206.22            |
| 5. Monthly mortgage amortization charge.   | <u>100.00</u>     |
| Monthly rental charge to FMS student.  | \$306.22          |

**0712**     **INCREMENTAL COSTING OF TRAINING**

**071201. Instructors and School Support Staff.** Courses shall be reviewed to determine if the incremental cost should be developed for a specific course (for example, pilot training) or a group of courses. For classroom or technical courses that are similar or that utilize instructors who teach more than one course, such courses may be grouped for computation purposes. When there is a one-for-one or one-for-two relationship of instructor to student, the instructor in all cases shall be considered incremental. If the entire class is composed of foreign students, the instructor and staff shall always be considered incremental.

A. It is anticipated that the incremental cost charged to IMET for instructors shall be minimal for courses or groupings of courses when either the ratios of students to instructors or U.S. students to IMET students is high.

B. For these latter courses (or groups of courses), a projection shall be made as to the estimated number of U.S. students who shall be in the course and the number of instructors and staff required. A second projection shall be made of the total number of students estimated, both U.S. and foreign, and the number of instructors and staff required. Both projections shall be based on the maximum number of students who can be taught by instructors or staff rather than on optimum class size. The difference in instructor and staff between the two projections represents the incremental costs. This value, divided by the total number of foreign students, represents the incremental cost per student for the course (or courses). Although used in the computation to derive incremental IMET costs, FMS students shall still be priced at full cost in accordance with other provisions of this Chapter. In computing full cost for the FMS student, care shall be taken to ensure that the incremental cost charged to IMET students is not included in the FMS computation.

**071202. Travel and Per Diem.** All student travel and per diem associated with the training shall be considered incremental. All travel, per diem, and allowance paid to members of Techni-

cal Assistance Field Teams (TAFTs) and similar teams, established to conduct in-country training, shall be considered incremental.

**071203. Equipment Overhaul and Maintenance.** The overhaul and maintenance of major items of equipment, when computed on an hourly use basis, shall be incremental to a course based on estimated utilization hours.

**071204. Simulators.** Simulator hours shall be incremental. See paragraph 071102.I.

**071205. Supplies, Materiel, Training Aids, and Ammunition.** Incremental cost shall be the replacement price of items that are not returned or reusable (including POL) used in conducting the training. If discrete pricing is not or cannot be developed for publications and Table 716-3 is used, determine IMET pricing at 10 percent of the costs shown in the table.

**071206. Base Support Cost (i.e., Indirect Costs).** Standard weekly rates shall be charged for IMET and IMET(FMS) training. The FY 1981 rates are \$15 per week for IMET and \$18 per week for IMET(FMS). In FY 1984, rates were \$17 and \$19. The rates for FY 1986 are \$22 for IMET and FMS/IMET. These rates shall be adjusted annually for inflation. Once every three years, these rates shall be validated by each Military Service and adjusted by the Office of the Comptroller, DoD as appropriate.

**071207. Instructor Training.** The training of U.S. instructors or other personnel for special courses normally not conducted for U.S. personnel shall be considered incremental. When the required training is conducted at a U.S. training facility, the benefiting country will be charged the course cost established in accordance with Sections 711 and 712 instructions for computing training costs. When the special course is conducted by a Management Service Team (MST) away from the normal training institution, the services of the MST will be treated as a service and priced in accordance with paragraphs 070202 and 070203.

**071208. Facilities and Equipment.** Any facilities or equipment acquired primarily for the support

of foreign students shall be considered incremental.

**071209. Information Program.** The full cost of the information program to the U.S. Government shall be incremental.

**071210. Administrative Surcharge.** The administrative surcharge shall be charged on FMS training sold to IMET-recipient countries, and shall also be charged to cases financed with MAP funds.

**071211. Exclusions.** The unfunded civilian retirement charge that is deposited to the Miscellaneous Receipts Account shall be considered a fixed cost and not included in the FMS training rates for IMET-recipient countries. This exclusion also applies to TAFTs established to conduct in-country training and mobile training teams (MTTs).

#### **0713 OTHER CASH SALES AND LEASING OF DEFENSE ARTICLES**

**071301. General.** Cash sales of Defense services other than those heretofore covered specifically in this Chapter shall be priced to recover all elements of identifiable costs.

**071302. DoD Support Costs.** A separate FMS case shall be established to recoup DoD support costs such as those defined in paragraph 070406 when support is furnished by Department of Defense to facilitate direct sales by a U.S. contractor to a foreign government.

**071303. Administrative Surcharge.** The administrative surcharge prescribed in Section 706 shall be applied to identifiable costs.

**071304. Pricing.** When defense articles is leased to a foreign country or international organization under authority of AECA [reference (a)], inspection, restoration, maintenance, and accessorial costs incurred in connection with the lease shall be priced in accordance with paragraph 070802. In addition, depreciation charges on the leased items may be applicable. A worksheet to determine the applicability of depreciation charges and the amount thereof is

contained at Table 713-1. In the event leased defense articles are damaged beyond repair or is not returned, replacement costs calculated in accordance with paragraphs 070302.B. and C., as applicable, shall be collected from the foreign country or international organization. Replacement cost shall be estimated when the equipment is placed on lease and set forth in the lease agreement. Refer to Chapter 12 of DoD 5105.38-M [reference (e)] for procedures on leasing arrangements. Charges for repair or other support of these items will not be made part of this monthly lease payment.

**TABLE 713-1 CALCULATION OF DEPRECIATION CHARGES FOR LEASED  
DEFENSE ARTICLES WITH ILLUSTRATIVE ENTRIES**

**STEP 1:** Determine purpose of lease.

|  | Yes | No  |
|--|-----|-----|
| a. Cooperative research or development project | ( ) | (x) |
| b. Military exercise                           | ( ) | (x) |
| c. Electronics interface project               | ( ) | (x) |

(If "yes" is checked on items a., b., or c., depreciation is not applicable and it is not necessary to complete remaining steps.)

**STEP 2:** Determine service life.

|   |           |
|---|-----------|
| a. Date to be leased  | June 1982 |
| b. Date item first fielded or actual acquisition date of specific item (if known) | June 1972 |
| c. Calculate age in months of item on lease date                                  | 120       |
| d. Number of months to be leased  | 12        |
| e. Estimated months of service life remaining at conclusion of lease              | 144       |
| f. Total months of service life (c. + d. + e.)                                    | 276       |
| g. Calculate item c. as a percentage of item f.                                   | 43%       |

(If result of step 2.g. is 75 percent or more, depreciation is not applicable and it is not necessary to complete remaining steps.)

**STEP 3:** Determine cost of defense articles leased.

|  |                  |
|--|------------------|
| a. Original acquisition cost                                       | \$1,000,000      |
| b. Pro rata share nonrecurring R&D or production costs             | 100,000          |
| c. Capital improvements  |                  |
| (1) Major overhauls <sup>2</sup> \$500,000                         |                  |
| (2) Modifications net of retirements <sup>1</sup> <u>\$300,000</u> | <u>800,000</u>   |
| Total Cost   | \$1,900,000      |
| Less residual value  | <u>(100,000)</u> |
| Amount subject to depreciation                                     | \$1,800,000      |

**STEP 4:** Calculate monthly depreciation charge.

|  |          |
|--|----------|
| Divide results of Step 2.F. into results of Step 3<br>(\$1,800, 000/276) = | \$ 6,522 |
|--|----------|

<sup>1</sup> Retirements represent serviceable components and weapons that are replaced by a modified version and that are returned to inventory upon removal. Normally, retired items are valued at standard inventory price, if repair is not necessary. If repair is required before the item may be reissued, the retirement item is valued at standard inventory price less estimated repair cost.

<sup>2</sup> The overhaul costs will be pro-rated over the interval between the last actual overhaul and the next scheduled overhaul. If a future overhaul is not scheduled, the cost of the last overhaul will be prorated over the normal average interval between overhauls (see paragraph 70302.C.1.).

**0714    EXPANSION OF FACILITIES**

**071401. General.** All costs of construction or expansion of facilities desired by and for the exclusive use of the foreign government shall be financed and funded by the foreign government. Charges by the U.S. Government for labor, materiel, or services shall be reimbursed in accordance with the provisions of Sections 702 and 703 of this Volume. When expansion is required for DoD use but may also be available for FMS, the cost shall be funded through the normal DoD budget process.

**071402. Reimbursement of Proportionate Share.** In addition to the costs as above, a proportionate share of operating costs shall be reimbursed.

**0715    PRICING FOR USE OF TECHNOLOGY**

**071501. General.** A Technical Data Package (TDP) encompasses production designs, drawings, specifications, models, manufacturing techniques and details, and similar information (but excludes information associated with the RDT&E stage) necessary to enable a foreign government to manufacture or have manufactured items of military equipment and repair parts. It does not include technical assistance or know-how by U.S. Government personnel; however, such assistance may be provided at additional cost.

**071502. Pricing of Technical Data Packages.** The Defense Security Assistance Agency (DSAA) may authorize release of a TDP to a foreign government for in-country manufacture of military equipment and repair parts. Costs incurred in the preparation, reproduction, and handling of the TDP shall be priced in accordance with the pricing policies set forth in paragraph 071301. When the pricing of the TDP is subject to an international agreement of which the DoD is a party or is otherwise bound, the sale will be determined consistent with the terms of the agreement.

**0716    PUBLICATION PRICING**

**071601. General.** This section prescribes the method which will be used to determine the

price of DoD publications when they are sold to FMS customers. The term "publications" includes technical orders, technical manuals, supply catalogs, training publications, administrative publications, engineering drawings, and associated documents, Integrated Logistics Support publications and associated documents, equipment component lists, special file extracts, decals, forms, and audio-visual products. A publication may be bound or loose-leaf, imprinted form, ADP listing, operator's card, microfilm, slide, motion picture film, etc. Engineering drawings and associated documents will be reviewed to determine if a technology charge is appropriate.

**071602. Publication Pricing Factors.** The following costs shall be included in the development of FMS prices for publications:

A. Acquisition Cost (AC). The contractual and in-house DoD cost required to deliver a reproducible master including, but not limited to, the amounts paid for technical or administrative writing, editing, illustrating, animation, and copy preparation.

B. Copy Production Cost (CPC). The copy production costs incurred in printing or reproduction of copies from the reproducible master.

C. Special Cost (SC). The cost incurred in the sanitization (elimination of nonreleasable information from a DoD publication prior to release to a foreign government), classified handling, development, and maintenance of country-peculiar publications.

**071603. Development of a Per Copy Selling Price**

A. The total cost of a publication is the sum of the costs identified in B., above. The total cost will be reduced to a per-copy expression by dividing the cost by the quantity produced (Q) as per the following formula:

$$\frac{(AC + CPC + SC)}{Q} = \text{Price per copy}$$



B. Recorded actual costs will be used when available. When actual costs for individual publications cannot be readily determined, a factored expression of historical costs will be developed from the most current cost records available. Uniform pricing tables can be developed from the cost per "unit" ("unit" being either a page, a roll of microfilm/microfiche page, or a running foot of tape or motion picture film). Table 716-1 provides guidance for developing publication pricing tables. Table 716-2 is a sample pricing guide developed in accordance with this guidance.

C. In the event there is an immediate need for pricing existing inventories of publications, and discrete pricing is not or cannot be developed, Table 716-3 may be used. The pricing in Table 716-3 shall not be used for constant pricing of publications. It is to be used to fill an immediate need when actual or estimated prices cannot be determined. Its design allows a price definition that recognizes the cost of each publication in relation to its unit count, without the need for performing a separate price calculation for each publication. In recognition of the higher per-unit acquisition and copy production cost that occurs in low unit count publications, a minimum price is set to effect related cost recoveries.

**071604. Other Applicable Costs.**

A. A technology charge that shall be collected in accordance with DoD Directive 2140.2 [reference (r)] and Section 715 of this Volume shall be an additional charge when applicable.

B. The standard administrative and accessorial charges prescribed in this Chapter shall be recouped as a percentage of publication prices. These charges are not included in the per copy selling price.

C. The FMS price for a joint Military Service publication shall be established by the Military Department responsible for its acquisition and management. That Military Department shall notify the other participating DoD Components of the established FMS price.

TABLE 716-1 DEVELOPMENT OF FMS PUBLICATION PRICING TABLES

This table provides instructions for constructing and using publication pricing tables based on factored costs when actual publication costs cannot be readily determined.

A. Using a representative sample of the various types of publications, develop unit prices for each publication category (such as, technical, supply, administrative, training, and engineering drawings) as follows:

Step 1: From reproducible master procurement or production records, determine the average acquisition cost within the category.

Step 2: From copy production records, determine the average copy production cost within the category.

Step 3: Add the results of Steps 1 and 2.

Step 4: Estimate the "typical quantity," as derived from a representative sample of actual usage or from forecasted requirements for publications within the category

Step 5: Divide the total from Step 3 by the estimated number of copies to be produced to derive the price per unit.

Step 6: To determine the selling price of a single copy of the publication, multiply unit or page cost by number of units or pages in the publication.

B. An example of the steps above is shown for a sample of X number of publications in paper form as follows:

Step 1:

$$\frac{\text{Acquisition Cost of} \\ \text{Producible Master Samples}}{\text{Total Reproducible Masters} \\ \text{Sampled}} = \text{Average Acquisition Cost} \\ \text{Per Reproducible Master}$$

$$\frac{\$234,000}{1,000} = \$234$$

Step 2:<sup>1</sup>

$$\frac{\text{Actual Copy Production Cost} \\ \text{Incurred in Reproduction of} \\ \text{Reproducible Masters Sampled}}{\text{Total Production Runs Sampled}} = \text{Average Copy Production Cost}$$

$$\frac{\$52,000}{2,000} = \$26$$

**TABLE 716-1 DEVELOPMENT OF FMS PUBLICATION PRICING TABLES (CONTINUED)**Step 3:

$$\begin{array}{rcl}
 \text{Average Acquisition Cost (AC)} & & \\
 \text{plus} & = & \text{Total Average Cost} \\
 \text{Average Copy Production Cost (CPC)} & & \\
 \$234 + \$26 & = & \$260
 \end{array}$$

Step 4:

$$\begin{array}{rcl}
 \text{Actual Number} & & \\
 \text{of Units or Pages Produced} & = & \text{Typical Quantity (Q)} \\
 \text{Total Reproducible Masters} & & \\
 \text{Sampled} & & \\
 \frac{100,000}{100} & = & 1,000
 \end{array}$$

Step 5:

$$\begin{array}{rcl}
 \frac{AC + CPC}{Q} & = & \text{Price Per Unit} \\
 \frac{\$260}{1,000} & = & \$0.260 \text{ Per Unit or Page}^2
 \end{array}$$

Step 6:

$$\begin{array}{rcl}
 \text{Unit or Page Price Multiplied by} & & \\
 \text{Unit or Page Count of Publication} & = & \text{Selling Price Per Copy} \\
 \text{Plus} & & \\
 \text{Special Cost (if any)} & & \\
 \$0.260 \times 20 \text{ (pages)} + 0 & = & \$5.20
 \end{array}$$

<sup>1</sup> The relationship between Acquisition Cost vs. Copy Production Cost is approximately 90% vs. 10%.

<sup>2</sup> See Table 716-3 for application.

**TABLE 716-2 SAMPLE PRICING GUIDE FOR TECHNICAL PUBLICATIONS**  
(SUBCATEGORY TITLE, WHEN DESIRED)

|                |   |       |       |       |       |       |       |       |        |        |
|----------------|---|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| UNITS          | All pubs 100 Units or Less              |       |       |       |       |       |       |       |        |        |
| PRICE PER COPY | \$16 (based on a 60-unit count average) |       |       |       |       |       |       |       |        |        |
| UNITS          | All pubs over 100 Units                 |       |       |       |       |       |       |       |        |        |
| PRICE PER COPY | Extrapolate from below                  |       |       |       |       |       |       |       |        |        |
| UNITS          | 1                                       | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9      | 10     |
| PRICES (\$)    | 0.26                                    | 0.51  | 0.78  | 1.04  | 1.30  | 1.55  | 1.81  | 2.08  | 2.34   | 2.59   |
| UNITS          | 50                                      | 60    | 70    | 80    | 90    | 100   | 200   | 300   | 400    | 500    |
| PRICES (\$)    | 12.80                                   | 16.00 | 17.60 | 20.80 | 24.00 | 25.60 | 51.20 | 78.40 | 104.00 | 129.60 |

### INSTRUCTIONS

1. Determine unit cost of publication.
2. If unit count is at or below the minimum, set price at \$16.00.
3. Extrapolate when unit counts are above the minimum. For example, the calculation for a unit count of 382 would be computed from the table as follows:

|       |              |              |
|-------|--------------|--------------|
|       | <u>Units</u> | <u>Price</u> |
|       | 300          | \$78.40      |
|       | 80           | 20.80        |
|       | <u>2</u>     | <u>.51</u>   |
| Total | 382          | \$99.71      |

Rounding to the nearest dollar, the price charged to the FMS customer would be \$100.00.

4. Add 20% to price for classified publications.

TABLE 716-3 GUIDE FOR PUBLICATIONS PRICING (PER COPY)

| CATEGORIES OF PUBLICATIONS (PRICE PER COPY <sup>2</sup> ) |  |             |              |               |                           |
|---|--|-------------|--------------|---------------|---------------------------|
| <u>NO. UNITS</u> <sup>1</sup>                             | <u>TECH</u>  | <u>TRNG</u> | <u>ADMIN</u> | <u>SUPPLY</u> | <u>OTHER</u> <sup>3</sup> |
| 1-100   | \$ 16.00   | \$10.00     | \$ 5.00      | \$ 5.00       |                           |
| 101-200   | \$ 38.00   | \$22.00     | \$11.00      | \$11.00       |                           |
| 201-300   | \$ 66.00   | \$38.00     | \$19.00      | \$19.00       |                           |
| 301-400   | \$ 91.00   | \$54.00     | \$27.00      | \$27.00       |                           |
| 401-500   | \$117.00   | \$67.00     | \$34.00      | \$34.00       |                           |
| <hr/>   |  |             |              |               |                           |
| Engr Drawings   | All Categories:<br>Aperture or copy cards @ \$.88 per copy<br>Hard copy - \$3.20 per copy  |             |              |               |                           |
| <hr/>   |  |             |              |               |                           |
| Letter Type<br>Bulletins and<br>Directives                | All Categories:<br>\$3.20 per copy   |             |              |               |                           |
| <hr/>   |  |             |              |               |                           |
| Forms   | All Categories:<br>\$.08 per copy with a minimum charge of \$3.20.<br>If standard inventory price available, use standard price. |             |              |               |                           |

<sup>1</sup> Unit: A page, a role of microfilm, a microfiche frame, or a running foot of tape or motion picture film.

<sup>2</sup> An additional charge of 20% is added for classified items.

<sup>3</sup> Other selected categories of publications, such as audiovisual products, decals, etc.

**0717 SPECIAL DEFENSE ACQUISITION FUND (SDAF)**

**071701. General.** The Special Defense Acquisition fund was authorized in 1981 by an amendment to Chapter 5 of the AECA to fund the procurement of defense articles in anticipation of their sale or transfer to foreign governments. The basic objective of the fund is to facilitate delivery of materiel in advance of normal procurement lead-times. The detail requirements of the fund are discussed in Chapter 14 of the Security Assistance Management Manual (SAMM)[reference (e)].

**071702. Sales Involving the Special Defense Acquisition Fund**

**A. Sales to the Fund.** Sales of materiel and recurring services in support of purchases to the SDAF will be priced according to the requirements of this section. These pricing elements represent SDAF obligations. Therefore, care must be taken to record and obligate transactions in a timely manner. Over-obligations shall be reported in accordance with DoDD 7200.1 [reference (f)]. The DoD Component with custody of the SDAF asset being purchased will maintain identity of the related unfunded costs until the respective asset is sold to an FMS customer. The following additional guidance on pricing sales to the SDAF is provided to address specific problems:

1. Accessorial costs as prescribed by Section 705 of this Chapter will be charged to the fund only if applicable; e.g., PC&H and transportation will not be charged for shipments in place to change the commodity manager's ownership/purpose code assigned to the asset in stock.

2. Contracts awarded to meet SDAF requirements shall not provide for rental charges under provisions of the Federal Acquisition Regulation (FAR)[reference (g)].

3. The actual CAS cost applicable to procurements for the SDAF shall be included in Standard Form 1080 for billing FMS costs from the DoD Components to the clearing account maintained by the SAAC. The normal

CAS surcharge will be added to billings for contract cost for the purpose of inventory valuation.

4. All unfunded costs other than nonrecurring charges will be charged for sales to the fund. These charges include military and civilian pay for services such as engineering changes, personnel acceleration factors and secondary item replacement factors. Nonrecurring cost recoupment charges will be collected from FMS customers when the materiel is sold from the fund and deposited to the appropriate accounts identified in paragraph 070105.

**B. Sales from the Fund.** Sales of materiel from the fund will be classified as sales from SDAF stock. This is distinguished from sales of DoD stocks or sales from procurement and is consistent with normal definition of Defense Stocks.

**C. Sales to Foreign Governments.** The selling price for SDAF items sold to foreign governments will be computed by establishing a base acquisition price as outlined in subparagraph 1 below. Applicable charges for nonrecurring costs will be added to the base price to arrive at the SDAF selling price. PC&H and transportation, and FMS administrative surcharges are additive to and not a component of the item selling price.

1. The SDAF full value base price will be the higher of the SDAF procurement price or the current DoD contract price, if the item is on a contract signed subsequent to the SDAF contract at the time of preparation of an LOA for the sale.

a. The SDAF procurement price is the total estimated unit price as reflected on SDAF procurement requests (direct cite and reimbursable) for the item being priced.

b. The current DoD contract price will be estimated by the DoD Component involved as prescribed in Section 704 of this Volume with identification of all appropriate add-on charges.

2. If the DSAA determines an SDAF item to be of reduced utility, an appropriate reduction to the price may be made in accordance with paragraph 070302.C.1. Such a reduction could conceivably lower the selling price to below the SDAF cost.

**D. Sales to a Military Department.** The selling price of an item sold to a Military Department will depend on whether the item is in turn sold to an FMS customer or is used by the Military Department.

1. If an SDAF item is sold to a Military Department for further sale to an FMS customer, the selling price for both transactions will be the FMS price prescribed in subparagraph C.1., above.

2. A sale to a Military Department for its own use will be priced to recover the cost incurred by the SDAF. DoD Components are not authorized to pay higher prices than actual DoD contract prices.

**071703. Quotation of Stabilized Prices.** Sales of SDAF items will be quoted as firm prices and LOA will be annotated accordingly. The DSAA is responsible for reviewing SDAF prices to assure full cost recovery and for changing any proposed SDAF prices to achieve that objective.

**071704. Charges for Nonrecurring Costs**

A. Nonrecurring cost will not be charged the SDAF on sales to the fund.

B. Nonrecurring costs will be determined according to paragraph 070305 and collected on sales from the SDAF to a foreign customer.

**071705. Recovery of Contract Administration Costs Incurred in Support of New Procurements for the Fund.** SDAF pays the normal CAS surcharge at the time of procurement and this cost is included as part of the SDAF acquisition cost (see Table 717-1). Therefore, when an SDAF-owned item is sold, it is considered to be a sale from inventory and no additional CAS charge is applied.

**071706. Special SDAF Surcharge.** The purpose of this surcharge is to maintain the solvency of the SDAF account; i.e., the SDAF corpus cannot gain or lose monies as a result of inventory/sales transactions. Accordingly, a special SDAF surcharge will be applied, as necessary, to recover the cost of SDAF inventory losses, pilferage, obsolescence, and any loss of SDAF proceeds resulting from sales at reduced prices. The surcharge percentages will be determined annually by DSAA and applied to the SDAF acquisition cost by SAAC.

**071707. Exceptions.** Requests for exceptions to the preceding pricing policies will be submitted in accordance with Section 719 of this Volume.

**TABLE 717-1 SPECIAL DEFENSE ACQUISITION FUND (SDAF) PRICE COMPUTATION EXAMPLES**

|   | <u>Sale to<br/>SDAF</u> | <u>Sale of Same SDAF<br/>Asset to FMS Customer</u> |
|---|-------------------------|--|
| <b>1. <u>Example-Item Procured for SDAF</u></b>                               |                         |  |
| Contract Cost   | \$60,000.00             |  |
| Contract Administration services (1.5%)                                       | 900.00                  |  |
| Recurring Contract support cost   | 1,000.00                |  |
| GFM (including associated<br>transportation and PCH)                          | 500.00                  |  |
| SDAF Acquisition Cost   | <u>\$62,400.00</u>      | <u>\$62,400.00</u>                                 |
| Pro rata nonrecurring charges   |                         | 2,000.00   |
| Special SDAF Surcharge  |                         | <u>XX<sup>1</sup></u>                              |
| FMS Unit Selling price  |                         | <u>\$64,400.00<sup>2</sup></u>                     |
| <b>2. <u>Example-Item provided to SDAF from DoD Stock</u></b>                 |                         |  |
| Nonexcess procurement funded item (to be<br>replaced shown<br>in Table 703-3) | \$50,000.00             |  |
| SDAF Acquisition cost   | \$50,000.00             | \$50,000.00  |
| Pro rata nonrecurring charges<br>(50% of \$2,000; See table 703-3)            |                         | 1,000.00   |
| Special SDAF Surcharge  |                         | <u>XX<sup>1</sup></u>                              |
| FMS Unit Selling Price  |                         | <u>\$51,000.00<sup>3</sup></u>                     |

<sup>1</sup> The Special SDAF Surcharge is applied, as necessary, by SAAC based on DSAA guidance. See paragraph 071706.

<sup>2</sup> Apply applicable PCH, administrative fee, and applicable transportation surcharges to the FMS unit selling price. Note that a PCH charge is not applied to items procured by the SDAF for direct shipment to an FMS customer.

<sup>3</sup> Apply PCH, if applicable, and the administrative fee to the FMS unit selling price.



**0718      CASE MANAGEMENT LINE**

**071801. General.** DoD Components shall assure that each type of cost is allocated only once and only on one basis to an FMS Case. Additional discussion on consistency in allocating costs incurred for the same purpose is contained in Volume 4 of this Regulation.

A. A case management line shall be included in FMS cases when there will be provision of non-routine levels of DoD case management effort in support of a case. Non-routine effort may be provided only if a case management line (L8A) has been accepted by the FMS purchaser.

B. Program management lines, as opposed to case management lines, are intended to be used in those instances where it is necessary that the implementing agency undertake some system or program management effort in order to successfully deliver the item that has been ordered by the FMS customer. The costs to be recovered by program management lines differ from those covered by case management lines in that they are directly related to the item or service being delivered as opposed to an extraordinary FMS case management expense associated with the implementation of a specific complex FMS case.

C. Table 718-1 provides a funding matrix of the appropriate funding sources for the cost of various types of activities/functions involved in FMS case implementation. While not all inclusive, it aids in differentiating activities and functions to be funded by FMS administrative funds, hardware or service lines, case management lines, or program management lines."

D. Costs incurred for communications, utilities, automatic data processing, office supplies and equipment, and rental charges are normally recouped as administrative expenses. However, when a case management or program management line has been established, these types of costs shall be charged directly to that line, as appropriate.

**TABLE 718-1 CASE FUNDING MATRIX**

| <b>Description<br/>of Effort<br/>Performed</b>   | <b>Funded by</b>                |  |                               |                               |
|--|---------------------------------|--|-------------------------------|-------------------------------|
|  | <b>FMS<br/>Admin<br/>Budget</b> | <b>Hardware/<br/>Services<br/>Line</b> | <b>Case<br/>Mgmt<br/>Line</b> | <b>Prog<br/>Mgmt<br/>Line</b> |
| Price and Availability (P&A)   | X                               |  |                               |                               |
| Preparation of Letters of<br>Offer and Acceptance (LOA)  | X                               |  |                               |                               |
| Program Requirements/<br>Survey Team (PRST)  |                                 | X                                      |                               |                               |
| Program Management Reviews (PMR)<br>Overseas or at non-DoD activities  |                                 |  |                               | X                             |
| At CONUS DoD activities  | X                               |  |                               |                               |
| Quality Assurance Team<br>(QAT) for special<br>purposes as distinguished<br>from Contract Administrative<br>Services (CAS) |                                 | X                                      |                               |                               |
| Preparation of IL Supply Delivery<br>Plan (ILSDP) or its equivalent.   | X                               |  |                               |                               |
| Update/Revision of the<br>ILSDP or its equivalent.   | X                               |  |                               |                               |
| Cooperative Logistics Supply Sup-<br>port Arrangement Renegotiations   | X                               |  |                               |                               |
| TDY [Dependent on financing source<br>of employee payroll cost]  |                                 |  |                               |                               |
| Employee paid from Admin/LSC   | X                               |  |                               |                               |
| Employee paid for Hardware/Svc Line  |                                 | X                                      |                               |                               |
| Employee paid from Case Mgt Line   |                                 |  | X                             |                               |
| Employee paid from Program Mgt Line  |                                 |  |                               | X                             |
| Preparation of reports to the<br>customer required by DoD<br>7000.14-M or DoD 5105.38-M                                    | X                               |  |                               |                               |
| Preparation of reports to the<br>customer not required by DoD<br>7000.14-M or DoD 5105.38-M                                |                                 |  |                               | X                             |

TABLE 718-1 CASE FUNDING MATRIX (CONTINUED)

| <u>Description<br/>of Effort<br/>Performed</u>   | <u>Funded by</u>                |  |                               |                               |
|--|---------------------------------|--|-------------------------------|-------------------------------|
|  | <u>FMS<br/>Admin<br/>Budget</u> | <u>Hardware/<br/>Services<br/>Line</u> | <u>Case<br/>Mgmt<br/>Line</u> | <u>Prog<br/>Mgmt<br/>Line</u> |
| Preparation and processing of requisitions for articles and services                     | X                               |  |                               |                               |
| Preparation of the requisition status-MILSTRIP, DoD 4140.17-M                            | X                               |  |                               |                               |
| Processing Reports of Discrepancies (RODs) and the granting of credits for the net cost. | X                               |  |                               |                               |
| Special configuration management and control   |                                 |  |                               | X                             |
| Special Weapon/Systems Management  |                                 |  |                               | X                             |
| Case reconciliation and closure  | X                               |  |                               |                               |

**0719**     EXCEPTION TO PRICING POLICIES  
AND COST RECOUPMENT WAIVERS

**071901.** General. An exception to prescribed pricing policies refers to approval of an alternative method of identifying applicable cost. A cost recoupment waiver refers to the exercise of legal authority to partially or totally waive recoupment of incurred costs.

**071902.** Request for Exception to Policies or Directives. Requests for exceptions to the policies prescribed herein or waivers of DoD costs shall be submitted to the Office of the DoD Comptroller with a copy to the DSAA Comptroller. Sufficient data shall accompany the request to enable the Comptroller, DoD to evaluate the merits of the proposed deviation. When deviations or waivers are requested, it shall be shown that such deviations or waivers are consistent with statutory requirements and are in the best interest of the U.S. Government. No charges or surcharges based on a percentage rate shall be made to recover any element of cost unless (1) the percentage charge or surcharge is expressly prescribed in this Volume, or (2) the percentage rate is proposed in writing to and is approved by the Office of the Comptroller, DoD.

**0720**     PERIODIC REVIEW AND UPDATING  
OF RATES

**072001.** General. Rates that may be developed to recoup accessorial costs (Section 705) and administrative costs (Section 706) are subject to review. The Office of the Comptroller, DoD, should notify applicable DoD Components when such reviews are being made and request appropriate DoD Component participation. Beginning in FY 1993, the rates for PC&H will be reviewed every two years by the DFAS.

**072002.** Revising Rates. Whenever a Department believes that a prescribed rate should be revised, it should submit an appropriate request to the Office of the Comptroller, DoD with supporting data.

**0721**     FINAL ACCOUNTING

**072101.** General. Once a final statement has been sent for an FMS case, the case shall be reclassified by the IA from active to inactive status in accordance with paragraph 021104. Effective October 1, 1992, all closed cases with post closure activity, not subject to accelerated closure procedures, will be reopened to report execution and will be recertified prior to closure.

**0722**     LOGISTICS SUPPORT CHARGE

**072201.** Applicability. The logistics support charge is applicable to other than Defense Business Operations Fund materiel.

**072202.** Purpose. A logistics support charge shall be added to FMS case lines for spare parts, supplies, and maintenance of customer owned equipment to recoup an appropriate share of the cost incurred in the logistics support area. The logistics support charge shall be a part of the cost of the item supplied and shall not be shown as a separate add-on charge to the FMS customer in the delivery listing or the DD Form 645, "Foreign Military Sales Billing Statement," provided to the FMS customer. The functions performed in the logistics support area include production control, requisition processing, inventory maintenance, administration of Reports of Discrepancy (RODs), and logistics management.

**072203.** Actual Logistics Support Expenses. Those DOD organizations which provide general logistic support of the FMS program shall recoup the full cost of providing such support. Costs charged in connection with logistic support shall not include costs which are prescribed in this manual for alternative recoupment methods.

A. The personnel portion of the budget for actual logistics support expense shall include a pro rata share of those personnel performing logistics support duties. If an organization's manpower staffing is based upon routinely maintained workload statistics (such as the number of requisitions processed), the cost allocable as a actual logistics support expense shall be determined on a pro rata basis from workload statistics. For example, if the FMS logistics workload is 25 percent of the total workload, then 25 percent of the organization's

payroll shall be funded through FMS logistics support expense charges. If routinely maintained statistics are not available, the costs will be determined based on cost finding techniques or other methods which are appropriate in determining the cost of maintaining the FMS program.

B. Other actual or estimated actual logistics support costs include:

1. Travel costs, including per diem and transportation incurred in the logistics support of the FMS logistics program.

2. Automatic data processing costs to support FMS logistics workload based on proration of machine time required to produce FMS logistics reports, requisition history status, or other transactions.

3. Printing and reproduction cost incurred primarily for the benefit of the FMS logistics program.

4. Communications, utilities, and office supply costs shall be allocated as logistics support expense, on a pro rata basis i.e., a proration of number of phone instruments, etc.

5. Equipment costs, both purchased and rental, when such costs are specifically incurred to support the FMS logistics program.

6. Rental charges at fully dedicated FMS logistics activities for floor space rental, and certain other support services.

7. The "net cost" to the Department of Defense for processing RODs for overage, shortage, damage, item deficiency, and duplicate billing. Such costs exclude discrepancies that are attributable to damage or loss occurring after passage of title. Normally, FMS shipments move from the depot or vendor's plant on collect commercial bill of lading with title passed at point of origin. However, occasionally shipments move under Government Bills of Lading. Under either of these conditions title passes at the point of origin and if damage or loss occurs subsequent to title passage, payment

is not to be made from the administrative fund (that is, claims should be submitted against the common carrier). See Chapter 8, Section IV.F of DOD 5105.38-M [reference (e)], for more detailed information.

8. Materiel costs included in actual logistics support expenses should be the net value of the returned materiel. There is no "net cost" to the Department of Defense in canceling duplicate billings or in shipping an item for which a country had been billed but the Department of Defense cannot confirm it has been shipped.

C. Funded cost must be accelerated to recover unfunded cost where appropriate, i.e., personnel cost must be accelerated for unfunded civilian retirement.

#### **072204. Prescribed Logistics Support Charge**

A. The SAAC shall recover the earned logistics support expenses by applying a 3.1 percent factor to delivery transactions on FMS case lines with the following specific generic codes:

| <u>Generic Code<sup>1</sup></u> | <u>Description</u>   |
|---------------------------------|--|
| <b><u>SPARES:</u></b>           |  |
| A9C                             | Aircraft Components Parts and Accessories                  |
| B9A                             | Guided Missile Parts, Components                           |
| B9C                             | Free Missile Parts, Components                             |
| C9A                             | Ship spare parts   |
| F9A                             | Other Weapons Spare Parts                                  |
| F9B                             | Naval Ordnance Spare Parts                                 |
| F9C                             | Nonstandard Weapon Spare Parts, Components and Accessories |
| H9A                             | Communication Equipment Spare Parts Equipment              |

#### **EQUIPMENT MODS:**

|     |  |
|-----|--|
| A6A | Class IV MOD-Navy/USAF Aircraft          |
| B6A | Missile MOD, Test Equipment and Services |

#### **MAINTENANCE:**

|     |  |
|-----|--|
| M2A | Aircraft Repair and Rehabilitation and Engine Overhaul |
|-----|--|

|     |   |
|-----|---|
| M2B | Ship Overhaul   |
| M2C | Other Repair and Rehabilitation                           |
| M2D | Combat Vehicle Repair and Rehabilitation                  |
| M2E | Tactical/Support Vehicle Repair and Rehabilitation        |
| M2F | Weapons and Support Equipment                             |
| M2G | Ammunition Repair and Rehabilitation                      |
| M2H | Communication/Electronic/Metero Repair and Rehabilitation |
| M2J | Support Equipment Repair and Rehabilitation               |
| M2K | Missiles Repair and Rehabilitation                        |

SECONDARY SUPPORT EQUIPMENT:

|     |  |
|-----|--|
| A7A | AGE Follow-on, including Components and Accessories    |
| A7B | Barricade and Equipment, Follow-on                     |
| A7C | Launching Equipment, Follow-on                         |
| A7D | Special Trucks/Trailers, Follow-on                     |
| B1  | Ground Launched Missile Support Equipment <sup>2</sup> |
| B2  | Air Launched Missile Support Equipment <sup>2</sup>    |
| B3  | Sea Launched Missile Support Equipment <sup>2</sup>    |
| F4A | Chemical Weapons and Equipment                         |
| F4B | Camouflage and Deception Equipment                     |
| F4D | Fire Control Equipment                                 |
| F4Z | Miscellaneous  |
| J   | Support Equipment                                      |

SUPPLIES:

|   |          |
|---|----------|
| K | Supplies |
|---|----------|

NOTES:

<sup>1</sup>The LSC will not normally be applied to Generic Codes for stock numbers which have an MDE indicator listed in the MASL.

<sup>2</sup>Applies only to the numbers listed in paragraph 72204.B. below.

B. Specific generic codes and Military Articles and Services List (MASL) numbers identified for application of the Logistics Support Charge as cited in codes B1, B2 and B3, above.

|                              |                    |
|------------------------------|--------------------|
| <u>National Stock Number</u> | <u>Description</u> |
|------------------------------|--------------------|

MISSILE SUPPORT EQUIPMENT

|                  |                              |
|------------------|------------------------------|
| B1A9B4A00N1KESUP | NIKE Support Equipment       |
| B1C9B4C00HAWKSUP | HAWKE Support Equipment      |
| B1G9B1G00PERSSUP | PERSHING Support Equipment   |
| B1J493500TOWSHOP | TOW Support Equipment        |
| B1K9B1K00DRAGSUP | DRAGON Support Equipment     |
| B1N141N00LANCESP | LANCE Support Equipment      |
| B1P9B1P00ST1NSUP | STINGER Support Equipment    |
| B1R144000CHAPSUP | CHAPARRAL Support Equipment  |
| B1S9B1S00SH1LSUP | SHILL Support Equipment      |
| B1W9B1W00R0LSUP  | ROLAND Support Equipment     |
| B2A9B2A00SHRKSUP | SHRIKE Support Equipment     |
| B2B1410000AGMSUP | HARM Support Equipment       |
| B2D9B2D000STDSUP | STANDARD Support Equipment   |
| B2F9B4Y00TRGTSUP | TARGET Support Equipment     |
| B2G9B2G00MARVSUP | MAVERICK Support Equipment   |
| B2N9B4N00FACLSUP | FALCON Support Equipment     |
| B2R9B4R00S1DESUP | SIDEWINDER Support Equipment |
| B2S9B4S00BULPSUP | BULLPUP Support Equipment    |
| B2T9B2T00PHOESUP | PHOENIX Support Equipment    |
| B2W9B4W00SPARSUP | SPARROW Support Equipment    |
| B2Y9B2Y00MATSUPE | MATTADOR Support Equipment   |
| B2Z9B2Z00AMRASUP | AMRAAM Support Equipment     |
| B3P9B3P00TERRSUP | TERRIER Support Equipment    |
| B3Q9B3Q00TARTSUP | TARTAR Support Equipment     |
| B3R9B3R00HARPSUP | HARPOON Support Equipment    |
| B3W9B3W00SPARSUP | SEASPARROW Support Equipment |

MISSILE MODS, TEST EQUIPMENT, SERVICES

|                  |                                |
|------------------|--------------------------------|
| B1A493500NHKETKS | NIKE HERC Tool Kits            |
| B1A493500NHSHOPS | NIKE HERC Shop Sets            |
| B1A493500NHTESTE | NIKE HERC Test Equip-<br>ment  |
| B1C143000HAWKMOD | HAWK MOD Kits                  |
| B1C493500HAWKSHP | HAWK Shop Kits                 |
| B1C493500HAWKTKS | HAWK Tool Sets                 |
| B1C493500HAWKSTE | HAWK Test Equipment            |
| B1G493500PERSSHP | PERSHING Shop Sets             |
| B1G493500PERSTSE | PERSHING Test Equip-<br>ment   |
| B1J143000TOWMODS | TOW MOD Kits                   |
| B1N143000LANMODS | LANCE MOD Kits                 |
| B1R493500CHAPSHP | CHAPARRAL Shop Kits            |
| B2R9B2R00A1N9CMD | SIDEWINDER Com-<br>ponent MODS |
| B2R9B2R00S1DEWDM | SIDEWINDER Class IV<br>MODS    |

072205. Administration of the Logistics Support Charge.

A. Obligational Authority. At the time of case implementation, the SAAC shall retain 3.1% of the customer ordered value (Obligational Authority) by the designated generic codes in paragraph 072204. The amount of obligational authority retained by the SAAC shall be provided to the applicable IA for information purposes only. Actual logistics support expense will be in accordance with section 030211.A. and 080601.A. Future logistics support charge percentage rates will be determined in accordance with paragraph 030211.G.

B. Billing. The SAAC shall compute and charge the logistics support charge based on the IA delivery reports and header information contained in the SAAC data file. The SAAC shall provide the Logistics Support disbursement and the applicable delivery feedback to the IA's in accordance with Section 809 of this Volume for inclusion in the FMS case closure certificate.

C. Reports of Discrepancy. The SAAC will credit the LSC included in the billed price of any item being credited on an approved Report of Discrepancy. The inclusion of the credit LSC will be accomplished at the time an adjusting delivery "NZ" transaction is processed. Implementing activities must insure that the

original ship date of the article being credited is reported in positions 61-64 of the transaction.

D. FMS Case Closure. At the time of case closure, the IAs shall be responsible for determining from the SAAC the total amount of the SAAC Logistics Support Charge for each implemented FMS case. This charge shall be included within the IA's FMS case closure certificate to be submitted to SAAC.

**TABLE 722-1 PRICE COMPUTATION EXAMPLES - LOGISTICS SUPPORT CHARGE (LSC)****Example #1:**

Given: Materiel selling price is \$1,000  
Sale is I.A.W. Section 21, AECA

**Calculation:**

|   |                         |                    |
|---|-------------------------|--------------------|
| Materiel Selling Price                    | \$1,000.00              |                    |
| Logistics Support Charge (3.1% x \$1,000) | <u>31.00</u>            | (credit Acct 5060) |
| FMS SELLING PRICE                         | \$1,031.00 <sup>3</sup> |                    |

**Example #2:**

Given: Materiel selling price is \$20,000, EACH  
Sale is for 2 items IAW Section 22, AECA  
Delivery to Europe  
NC is \$200.00 per item

**Calculation:**

- (a) Four Progress payments \$10,000 report as WIP (N price Code) (4 x 10,000) \$40,000.00  
SAAC Applied CAS (1.5% x \$10,000 x 4)<sup>1</sup> 600.00 (credit Acct 5020)  
NC reported as WIP with "A" price code 400.00  
TOTAL WIP \$41,000.00
- (b) Delivery of 2 items ("E" Price Code)  
Materiel Cost (2 X \$20,000) \$40,000.00  
CAS (applied by SAAC to W.I.P.)<sup>2</sup> 600.00  
NC (2 x \$200) 400.00  
Value of the delivery transactions \$41,000.00  
Logistics Support Charge (3.1% x \$41,000)<sup>1</sup> 1,271.00  
FMS SELLING PRICE \$42,271.00<sup>3</sup>
- (c) Final Price Revision with Increase ("A" Price Code)  
Requires a credit delivery with values from "b" above followed by:  
Materiel Cost (2 x \$21,000) \$42,000.00  
CAS (1.5% x \$42,000) 630.00  
NC (2 x \$200) 400.00  
Value of the delivery transactions \$43,030.00  
Logistics Support Charge (3.1% x \$43,030) 1,333.93  
FMS SELLING PRICE \$44,363.93<sup>3</sup>
- (d) WIP report required as a result of price increase  
Revised WIP ("N" price Code) \$2,000.00  
CAS applied (1.5% x \$2,000)<sup>1</sup> 30.00 (credit Acct 5020)  
TOTAL WIP \$2,030.00



**TABLE 722-1 PRICE COMPUTATION EXAMPLES - LOGISTICS SUPPORT CHARGE**  
**(LSC)(CONTINUED)**

Notes:

<sup>1</sup>These costs are calculated and transferred to applicable surcharge accounts based upon performance reported as work-in-process ("N" price code reports).

<sup>2</sup>IAs may use any reasonable allocation procedure to spread the cumulative CAS value among the delivered items.

<sup>3</sup>PCH&T. 1% Asset Use Charge and Administrative Surcharge are additive to the selling price as applicable. Transportation charges for reports "b" and "c" are computed as follows:

(b) Transportation Charge  
$$[(14.25\% \times \$10,000) + (14.25\% \div 4 \times 11,135.50)] \times 2 = 3,643.40$$

(c) Transportation Charge  
$$[(14.25\% \times \$10,000) + (14.25\% \div 4 \times 12,181.97)] \times 2 = 3,717.97$$

## CHAPTER 08

### BILLING AND REIMBURSEMENT

#### 801 INTRODUCTION

**080101. Objectives.** This Chapter establishes the standard procedures to be used when:

A. The Security Assistance Accounting Center (SAAC) bills foreign governments and International organizations (hereinafter called FMS customers) for costs related to defense articles and services that have been sold pursuant to the Arms Export Control Act, as amended.

B. DoD Components report FMS deliveries of materiel and services, contractor progress payments, and other related costs to the SAAC for the purpose of obtaining reimbursement or reporting performance under an allotment of Trust Fund budget authority.

C. DoD Components request reimbursement from other DoD Components for costs associated with interservice support of FMS cases.

#### 80102. Responsibilities

A. Security Assistance Accounting Center (SAAC). The SAAC shall issue quarterly billing statements to FMS customers based upon payment schedules attached to the Letter of Offer and Acceptance by the applicable implementing agency. Exceptions to this policy shall be made when an implementing agency has submitted a "Quarterly Forecast of Financial Requirements for In-Process Cases," or when the committed values for requisition cases (see paragraph 040305) indicates performance on a requisition case is behind or ahead of schedule. In the latter cases the SAAC shall bill based upon the report or the committed value of requisitions.

★B. Implementing Agencies (IAs). IAs shall report accrued expenditures (work in process) and physical deliveries to the SAAC through use of a billing and reporting procedure prescribed in this chapter within 30 days of occurrence (date of shipment or performance). IAs may use an estimated price code on reporting the deliveries or major end items if an actual price

code is not available within 30 days of the date of shipment and shall use an estimated price code in reporting deliveries of major end items if an actual price is not available within 90 days of the date of shipment.

C. Supporting DoD Components. Supporting DoD Components shall request reimbursement from other DoD Components through the use of billing and reporting procedures prescribed in this chapter.

1. Requesting Activities. Requesting activities are responsible for notifying the performing activities, when an order is placed to satisfy and FMS demand. The notification, as a minimum, must consist of the country, case designator, and RSN/line item.

2. Performing Activities. Upon notification that a customer order to be completed is for an FMS customer, performing activities are responsible for notifying the requesting activity whether the order has been accepted on a reimbursable or direct cite basis and for preparing internal billings which include total cost to accomplish the order. This total billing shall include both funded and unfunded costs. The performing activity shall deposit amounts collected to the appropriate accounts, including Miscellaneous Receipt Accounts.

#### 802 FMS BILLING STATEMENT

**080201. General.** The DD Form 645, "Foreign Military Sales Billing Statement," (or automated equivalent) and Defense Security Assistance Agency supplementary billing statements represents the official claim for payment by the U.S. Government. In addition, it furnishes an accounting to the FMS purchaser for all costs incurred under each agreement. Detail on the face of the billing statement segregates the cost elements in a manner parallel to the presentation of line item detail on the Letter of Offer and Acceptance (LOA). Physical performance of services, delivery of materiel, and progress payments is shown against the line item detail (Record Serial Number) of the LOA. Adminis-

trative surcharges and accessorial costs are separately listed. The DD Form 645 is prepared on a quarterly basis in January, April, July, and October. The January bill reflects physical deliveries and performance of services and progress payments through 31 December and cash collections recorded for the FMS case through the preparation date of the billing statement. It also contains a forecast of estimated advance cash requirements through the month of June. A January bill is mailed on or about January 15, with a due date for payment of March 15. The April, July, and October statements follow the same basic time-frames. An example of a DD Form 645 prepared by SAAC is at Table 802-1.

#### 080202. Final Statement

A. A case "final statement" shall be given to a customer at the end of the calendar quarter in which the case is closed, recategorized from an active status to an inactive status (see paragraph 021104). Table 802-3 is an example of a Final Statement of Account. Final statements shall be annotated, either through use of a rubber stamp or computer printing to:

1. Notify the FMS customer of this reclassification;
2. Identify the conditions under which the case records may be reactivated (see Section 721 of this Volume).
3. Indicate that additional charges will be processed and reported to the purchaser by means of an "Omnibus Statement of Account."

B. An "Omnibus Statement of Account" is the means of reporting additional charges or credits to cases that have been recategorized from active to inactive status. It may also be used for additional charges or credits directed by the Defense Executive FMS Reconciliation and Case Closure Board on inactive cases. An example of this statement and the accompanying Delivery Listing is at Table 802-4 and 802-5. Further discussion of this procedure is contained in paragraph 021104.

080203. DD Form 645 Entries. An explanation of the entries on the DD Form 645 follows:

A. Upper right-hand corner. Identifies the DoD Component acting as implementing agency for the cases shown on the statement. For example, Department of Defense/Army, Department of Defense/Air Force, etc.

B. Block 1. Identifies the recipient of the statement: full country/activity name followed by Service within country or special paying office designation.

C. Block 2. Identifies the statement as a "billing statement based on cash requirements" or a "final statement of account," or an "Omnibus Statement of Account," whichever is applicable. If the statement is a billing statement, this block also indicates the date payment is due. Normally, the due date is 60 days after the preparation date in block 5.

D. Block 3. Statement number is assigned mechanically and is composed of the numeric year and month representing the period ended followed by an alphabetic management code assigned by SAAC. The management code is used to sequence cases for distribution and normally identifies the paying office, unless the foreign customer has requested that cases be sequenced in some other manner.

E. Block 4. Contains the last calendar day of the period for which the statement is prepared. Normally, the last day of the month at the end of each calendar quarter.

F. Block 5. Reflects the date on which the statement was prepared, and is the official date of billing.

#### G. Case Identification and Delivery Status (Columns 6, 7, 8, and 9)

##### 1. Column 6

a. Identifies the FMS case identifier and line item identification (Record Serial Number (RSN)) from the LOA.

b. Additionally, this column contains identification of administrative

surcharges (L6A), accessorial costs (L00), and work-in-process (WIP) related to the case.

c. An asterisk (\*) preceding the case designator indicates a closed/inactive case. A case which has been closed since the previous billing statement was issued will appear on the current billing statement with an asterisk. Concurrently, a final statement of account is prepared mechanically for the case and presented following the billing statement.

2. Column 7. Contains the value of articles/services for each RSN, administrative surcharges, or accessorial costs as shown on the LOA, or most recent amendment or modification. Immediately below the value is the short title identifying the articles/services as described in the Security Assistance Management Manual, Appendix D. [reference (e)].

3. Column 8. Value of total delivery costs reported at the end of the prior statement period. No value is shown in this column for progress payments applicable to undelivered items.

4. Column 9. Value of delivery costs reported since the end of the prior statement period. Values shown in this column are supported in detail by the FMS Delivery Listing (see paragraph 080204). No value is shown in this column for progress payments applicable to undelivered items.

H. Financial Status (Columns 10, 11, 12, 13, and 14).

1. Column 10. This column contains the totals of values shown in Columns 8 and 9, plus work-in-process applicable to undelivered items. The value in Column 10 for work-in-process represents accrued costs incurred on behalf of the FMS purchaser which are not yet supported by physical or constructive deliveries. These costs include contractor holdbacks (normally 10%) on progress payments made to contractors, potential termination liabilities, and any other applicable add-on costs.

2. Column 11. Contains the forecasted requirements for the case, i.e., the

value of potential costs to be incurred during the calendar quarter following the payment due date of the current statement plus any prior period amounts representing unearned advances, potential termination liabilities and contractor hold-back. This value appears on the "Case Total" line only and may be derived from one of two different sources.

a. The quarterly deposit identified in the payment schedule from the Financial Annex for the case which has a due date that coincides with the payment due date of the current statement.

b. For all requisition type cases, i.e., supply support arrangement, FMSO II, and other repair part cases, the DoD Component will provide the SAAC with a "Committed Values for Requisition Cases" report. This report reflects the current value of on-hand, unfilled requisitions for each case. The report will be accompanied by cards or card images for use in the automated SAAC system. Section 403 of this Volume contains instructions for preparing this report and cards. These inputs will be submitted to SAAC by the 15th day of the last month of each calendar quarter (i.e., by March 15, June 15, September 15, and December 15) reflecting the most recent status for each case.

c. The committed value will be used as the forecasted requirements in Column 11 for the case in lieu of the quarterly deposit in the payment schedule when the committed value is less than the payment schedule quarterly deposit.

3. Column 12. A value appears in this column on the "Case Total" line only. It represents the total of the Column 10 and Column 11 values for the case.

4. Column 13. A value appears in this column on the "Case Total" line only. It represents the total amount of cash payments received from the customer through the official date of billing in Block 5.

5. Column 14. A value appears in this column on the "Case Total" line only. It represents a calculation, Column 12 value minus

Column 13 value, and is the additional cash payment which is due from the customer. In the event the calculation shows a negative amount due, the negative amount will not be shown.

**080204. FMS Delivery Listing.** An FMS Delivery Listing is prepared in support of entries to Column 9, "Current Period Delivery Costs," of the DD Form 645. This listing is illustrated at Table 802-2 and prepared based upon implementing agency delivery transactions that have an "E," or "A" price code in position 7. An "N" price code does not increase amounts reported in Column 9. Only price codes "E" or "A" are perpetuated to the Delivery Listing sent to the purchaser. Section 804 contains detailed procedures for completion and submission of the delivery transactions. The Delivery Listing is an itemized listing of all items physically delivered and services performed during the reporting period. It is cross referenced to specific document numbers and allows FMS customers to validate receipt of the materiel or services. This Delivery Listing also includes SAAC computations of surcharges applied by that organization in accordance with Chapter 7 of this Volume. In the first DD Form 645 submitted to the FMS customer, the statement will recognize 50% of the administrative fee as earned (Column 9 of the DD 645). The remaining 50% of the administrative charge will be billed as progress payments or as deliveries are reported.

A. An explanation of the content of columns in the FMS Delivery Listing follows:

1. Headings are the same as shown on the DD Form 645.

2. The first column titled "DOC ID" is the Document Identifier Code assigned by SAAC to identify Delivery Listing transactions and whether the transaction is a debit or credit. Codes assigned by SAAC to the Delivery Listing transactions follow:

a. FKA - Articles/Service Transactions (Debit).

b. FKB - Articles/Service Transactions Adjustments (Credit).

c. FKC - Administrative Costs (Debit).

d. FKD - Administrative Cost Adjustments (Credit).

e. FKE - Accessorial Costs (Debit).

f. FKF - Accessorial Cost Adjustments (Credit).

g. FKG - Reply to Customer Request for Adjustments (Debit or Credit).

3. Remaining columns of the FMS Delivery Listing perpetuate information in the delivery transactions. For example, the second field is the routing identifier code contained in positions 4-6 of the delivery transaction and the third field is the price code contained in position 7 of the transaction report. However, transactions do not contain unit price information. Therefore, the 16th column of information, "unit price," is computed by SAAC by dividing extended value by quantity shipped. If the division does not result in an even number (that is, there is a remainder), a rounded unit price will be printed followed by an asterisk (\*). Where the unit price exceeds \$9,999,999, an asterisk(\*) will be printed in the unit price field. Instructions for preparation of the delivery transaction are in Section 804.

4. An explanation of the SAAC totals follows:

a. FKA ARTICLES/ SERVICES COST. Total of detail FKA (Debit) transactions.

b. FKB ARTICLES/SERVICES COST. Total of detail FKB (Credit) adjustment transactions.

c. NET TOTAL OF ARTICLES/SERVICES COST. All FKA and FKB transactions equal the net total of articles/services cost.

d. FKC ADMINISTRATIVE COSTS and FKD ADMINISTRATIVE COST ADJUSTMENTS.

(1) If the cost is computed by SAAC, the value against which the percentage (%) factor is applied, the percentage factor used, and the applied charge (under ADMIN/ACSR/COST) are shown. The charge is shown as a debit (FKC) or credit (FKD) amount.

(2) If actual costs have been applied, the words "ACTUAL CHARGE" are shown as Type of Cost. FKC (Administrative Costs) transactions are applied against FKA (Materiel/Services debit) transactions. FKD (Administrative Cost Adjustments) transactions are applied against FKB (credit Materiel/Service).

e. NET TOTAL OF ADMINISTRATIVE COSTS. All FKC and FKD transactions equal the net administrative costs.

5. FKE ACCESSORIAL COSTS and FKF ACCESSORIAL COST ADJUSTMENTS.

a. FKE transactions are applied against FKA (Materiel/Services debit) transactions; FKF transactions are applied against FKB (Materiel/Services credit) transactions.

b. Each below-the-line cost applied is identified by Generic Code and description of cost below the FKE/FKF headings. For example:

| Gen<br>Code | Long Title                           | Short Title |
|-------------|--------------------------------------|-------------|
| (1) L1A     | INLAND TRANSPORT CONUS <sup>1</sup>  | CONUS TRANS |
| (2) L1B     | OCEAN TRANSPORTATION                 | OCEAN TRAN  |
| (3) L1C     | AIR TRANSPORTATION                   | AIR TRANS   |
| (4) L1D     | PARCEL POST <sup>2</sup>             | PARCEL POST |
| (5) L1E     | COMMERCIAL PKG CARRIERS <sup>2</sup> | COMM PKG    |
| (6) L1F     | INLAND TRANS OVERSEAS                | OS INLAND   |
| (7) L1O     | TRANSPORTATION COSTS                 | TRANS COST  |
| (8) L2A     | PACKING CRATING<br>& HANDLING        | PCH         |
| (9) L2B     | CONUS PORT HANDLING                  | CONUS PORT  |
| (10) L2C    | OVERSEAS PORT HANDLING               | OS PORT     |
| (11) L4A    | STORAGE                              | STORAGE     |
| (12) L4O    | STAGING                              | STAGING     |

|          |                       |             |
|----------|-----------------------|-------------|
| (13) L6A | ADMINISTRATIVE COSTS  | ADMIN COSTS |
| (14) N7E | MEDICAL               | MEDICAL     |
| (15) N7F | QUARTERS              | QUARTERS    |
| (16) U1O | NORMAL INVENTORY LOSS | INV LOSS    |

Notes:

<sup>1</sup>L1A does not apply to stock fund/Defense Business Operations Fund items on/after October 1, 1990.

<sup>2</sup>L1D/L1E does not apply to stock funded items on or after October 1, 1991.

c. NET TOTAL ACCESSORIAL. All FKE (debit) transactions and FKF (credit) transactions equal the net total accessorial costs.

d. TOTAL DELIVERY COSTS. Sum of net totals of article/service costs, administrative costs and accessorial cost equals total delivered costs.

**080205. Magnetic Tapes.** The customer may request SAAC provide magnetic tapes to support the FMS Delivery Listings. The specific transaction formats prepared by SAAC based upon DD-COMP(M) 1517 transactions are shown in Tables 802-6 through 802-9 for the following transactions.

A. Materiel/Service Transaction - Table 802-6.

B. Training Transaction - Table 802-7.

C. Administrative Cost Transaction - Table 802-8.

D. Accessorial/Additional Cost Transaction - Table 802-9.

**TABLE 802-1 FOREIGN MILITARY SALES BILLING STATEMENT (DD FORM 645) EXAMPLE**

| FOREIGN MILITARY SALES BILLING STATEMENT                        |  |   |   | UNITED STATES OF AMERICA<br>DEPARTMENT OF DEFENSE/Army  |  |                                     |  |                                |  |
|---|--|---|---|---|--|-------------------------------------|--|--------------------------------|--|
| 1. TO:<br>BANDARIA<br>ARMY                                      |  | 2. THIS IS A BILLING STATEMENT<br>BASED ON CASH REQUIREMENTS.<br>PAYMENT IS DUE BY: 86 Mar 15 |   | 3. STATEMENT NUMBER:<br>85-12NA   |  | 4. FOR PERIOD ENDED:<br>85 DEC 31   |  | 5. DATE PREPARED:<br>86 JAN 15 |  |
| CASE IDENTIFICATION AND DELIVERY STATUS                         |  |   |   | EXPLANATORY NOTES   |  |                                     |  |                                |  |
| 6. CASE<br>& RSN  | 7. TOTAL VALUE<br>ORDERED                | 8. CUMULATIVE<br>DELIVERY COSTS<br>END PRIOR PERIOD   | 9. CURRENT PERIOD<br>DELIVERY COSTS<br>(ATTACHMENT 1) | 10. CUMULATIVE<br>DELIVERY COSTS &<br>WORK IN PROCESS   | 11. FORECASTED<br>REQUIREMENTS<br>(NOTE A) | 12. TOTAL FINANCIAL<br>REQUIREMENTS | 13. CUMULATIVE<br>PAYMENTS<br>RECEIVED | 14. AMOUNT DUE<br>AND PAYABLE  |  |
| CXY<br>001.   | 100,000.00<br>Automotv supp and exp pils |   | 1,205.50  | 1,205.50  |  |                                     |  |                                |  |
| LGA   | 3,000.00<br>Administrative fee           |   | 1,518.18  | 1,518.18  |  |                                     |  |                                |  |
| LCO   | 4,000.00<br>Accessorial                  |   | 250.16  | 250.16  |  |                                     |  |                                |  |
| WIP   |  |   |   | 23,776.28   |  |                                     |  |                                |  |
| CASE<br>TOTAL   | 107,000.00                               |   | 2,973.74  | 26,750.00   | 26,750.00                                  | 53,500.00                           | 26,750.00                              | 26,750.00                      |  |
| REVIEW PROCESS  |  |   |   | NOTE A: THE TERMS OF THE U.S. PUBLIC LAW, THE ARMS EXPORT CONTROL ACT REQUIRE THE<br>DEPARTMENT OF DEFENSE TO COLLECT PAYMENTS FROM FOREIGN PURCHASERS IN ADVANCE OF THE TIME<br>THAT DOD INCURS COSTS ON THE PURCHASER'S BEHALF. THEREFORE, THIS BILLING STATEMENT<br>REQUESTS PAYMENT OF MONIES THAT ARE ANTICIPATED TO BE EXPENDED BETWEEN THE TIME THIS<br>BILLING STATEMENT IS PAID AND THE FOLLOWING BILLING STATEMENT IS PAID. |  |                                     |  |                                |  |
| ANALYST:<br>BRANCH CHIEF:<br>QUALITY ASSURANCE:                 |  |   |   | * DENOTES CASES CLOSED DURING THE CURRENT PERIOD.   |  |                                     |  |                                |  |
| SIGNATURE   |  |   |   | PAYMENT INSTRUCTIONS  |  |                                     |  |                                |  |
|   |  |   |   | IF A PAYMENT IS DUE, YOUR CHECK IN U.S. DOLLARS, MADE PAYABLE TO THE TREASURER OF THE UNITED<br>STATES, SHOULD BE FORWARDED DIRECTLY TO:  |  |                                     |  |                                |  |
| OFFICE OF THE DIRECTOR<br>SECURITY ASSISTANCE ACCOUNTING CENTER |  |   |   | DEFENSE FINANCE AND ACCOUNTING SERVICE (DFAS-DE/I)<br>6760 EAST IRVINGTON PLACE<br>DENVER, CO. 80279-2000   |  |                                     |  |                                |  |

DD FORM 645

ZZZZZ SCC

TABLE 802-2 FOREIGN MILITARY SALES DELIVERY LISTING EXAMPLE

| FMS DELIVERY LISTING                    |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            | FOR PERIOD: 9X DEC 31<br>DATE PREPARED: 9X JAN 05 |  | U.S. DEPT/AGENCY: ARMY |  |
|---|--------------|-------------|------------------|----------------|-----------------|-----------|-----------------|--------------|----------------|---------------------|------------------|---|-----------|-----|-----|-----------|------------|---|--|------------------------|--|
| COUNTRY: BANDARIA<br>SERVICE: ARMY      |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            | STATEMENT NUMBER: 9X-12NA<br>CASE: CYX RSN:001    |  |                        |  |
| ARTICLES/SERVICES TRANSACTIONS          |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            |   |  |                        |  |
| DOC ID                                  | RIC          | CD          | PRC              | STOCK NUMBER   | UNIT ISSUE      | QUAN SHIP | DOCUMENT NUMBER | DOC SFX      | SUPL ADRS      | M S                 | ARC              | F | ACTG DATE | TBC | DSC | SHIP DATE | UNIT PRICE | EXTENDED VALUE                                    |  |                        |  |
| FKA                                     | B14          | E           |                  | 49000926123400 | EA              | 10        | BBD8453069001   |              | BZZURK         |                     |                  |   | 8512      | G   | AB  | 5330      | 120.55     | 1,205.50  |  |                        |  |
| ADMINISTRATIVE/ACCESSORIAL TRANSACTIONS |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            |   |  |                        |  |
| DOC ID                                  | GENERIC CODE |             | COST DESCRIPTION |                | DOCUMENT NUMBER | ARC       | ACTG DATE       | TYPE OF COST | PERCENT FACTOR | TOTAL VALUE APPLIED | ADMIN/ACSRL COST |   |           |     |     |           |            |   |  |                        |  |
| FKC                                     | L6A          | ADMIN COSTS |                  | BBD            |                 |           | 8510            | COMPUTED     | 1.50           | 100,000.00          | 1,500.00         |   |           |     |     |           |            |   |  |                        |  |
| FKC                                     | L6A          | ADMIN COSTS |                  | BBD            |                 |           | 8512            | COMPUTED     | 1.50           | 1,205.50            | 18.08            |   |           |     |     |           |            |   |  |                        |  |
| FKE                                     | L1A          | CONUS TRANS |                  | BBD            |                 |           | 8512            | COMPUTED     | 3.75           | 1,205.50            | 45.21            |   |           |     |     |           |            |   |  |                        |  |
| FKE                                     | L1C          | AIR TRANS   |                  | BBD            |                 |           | 8512            | COMPUTED     | 6.00           | 1,205.50            | 72.33            |   |           |     |     |           |            |   |  |                        |  |
| FKE                                     | L1F          | OS INLAND   |                  | BBD            |                 |           | 8512            | COMPUTED     | 3.00           | 1,205.50            | 36.16            |   |           |     |     |           |            |   |  |                        |  |
| FKE                                     | L2A          | PCH         |                  | BBD            |                 |           | 8512            | COMPUTED     | 3.50           | 1,205.50            | 42.19            |   |           |     |     |           |            |   |  |                        |  |
| FKE                                     | L2B          | CONUS PORT  |                  | BBD            |                 |           | 8512            | COMPUTED     | 2.50           | 1,205.50            | 30.14            |   |           |     |     |           |            |   |  |                        |  |
| FKE                                     | L2C          | OS PORT     |                  | BBD            |                 |           | 8512            | COMPUTED     | 1.50           | 1,205.50            | 12.06            |   |           |     |     |           |            |   |  |                        |  |
| SUMMARY OF DELIVERY COSTS               |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            |   |  |                        |  |
| FKA ARTICLES/SERVICE COSTS              |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            | TOTAL COSTS                                       |  |                        |  |
| NET TOTAL OF ARTICLES/SERVICES COSTS    |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            | 1,205.50  |  |                        |  |
| FKA ADMINISTRATIVE COSTS                |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            | 1,205.50  |  |                        |  |
| NET TOTAL ADMINISTRATIVE COSTS          |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            | 1,518.08  |  |                        |  |
| FKA ACCESSORIAL COSTS                   |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            | 1,518.08  |  |                        |  |
| L1A INLAND TRANSPORTATION CONUS*        |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            | 45.21   |  |                        |  |
| L1C AIR TRANSPORTATION                  |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            | 72.33   |  |                        |  |
| L1F INLAND TRANSPORTATION               |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            | 36.17   |  |                        |  |
| L2A PACK, CRATE & HANDLING              |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            | 42.19   |  |                        |  |
| L2B CONUS PART HANDLING                 |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            | 30.14   |  |                        |  |
| L2C OVERSEAS PORT HANDLING              |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            | 12.06   |  |                        |  |
| NET TOTAL ACCESSORIAL COSTS             |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            | 238.10  |  |                        |  |
| TOTAL DELIVERY COSTS                    |              |             |                  |                |                 |           |                 |              |                |                     |                  |   |           |     |     |           |            | 2,981.69  |  |                        |  |

\* Not applicable to stock funded material.



**TABLE 802-3 FOREIGN MILITARY SALES BILLING STATEMENT (DD FORM 645) EXAMPLE**

| FOREIGN MILITARY SALES BILLING STATEMENT                        |  |   |   |   | UNITED STATES OF AMERICA<br>DEPARTMENT OF DEFENSE/Army  |                                     |  |                               |
|---|--|---|---|---|---|-------------------------------------|--|-------------------------------|
| 1. TO:<br>BANDARIA<br>ARMY                                      |  | 2. THIS IS A FINAL STATEMENT<br>OF ACCOUNT          |   | 3. STATEMENT NUMBER:<br>9X-12NA                       | 4. FOR PERIOD ENDED:<br>9X DEC 31   | 5. DATE PREPARED:<br>9X JAN 05      |  |                               |
| CASE IDENTIFICATION AND DELIVERY STATUS                         |  |   |   |   | EXPLANATORY NOTES   |                                     |  |                               |
| 6. CASE<br>& RSN  | 7. TOTAL VALUE<br>ORDERED                  | 8. CUMULATIVE<br>DELIVERY COSTS<br>END PRIOR PERIOD | 9. CURRENT PERIOD<br>DELIVERY COSTS<br>(ATTACHMENT 1) | 10. CUMULATIVE<br>DELIVERY COSTS &<br>WORK IN PROCESS | 11. FORECASTED<br>REQUIREMENTS<br>(NOTE A)  | 12. TOTAL FINANCIAL<br>REQUIREMENTS | 13. CUMULATIVE<br>PAYMENTS<br>RECEIVED | 14. AMOUNT DUE<br>AND PAYABLE |
| CXY   | 100,000.00<br>Automotive supp and exp pnts | 100,000.00  |   | 100,000.00  |   |                                     |  |                               |
| L6A   | 3,000.00<br>Administrative fee             | 3,000.00  |   | 3,000.00  |   |                                     |  |                               |
| LUO   | 4,000.00<br>Accessorial Costs              | 4,000.00  |   | 4,000.00  |   |                                     |  |                               |
| CASE<br>TOTAL   | 107,000.00                                 | 107,000.00  |   | 107,000.00  |   | 107,000.00                          | 107,000.00                             |                               |
| REVIEW PROCESS  |  |   |   |   | ONCE FINAL STATEMENTS/BILLINGS HAVE BEEN SENT FOR AN FMS CASE, NO SUBSEQUENT ADJUSTMENT OF SUCH BILLINGS, UPWARD OR DOWNWARD, IS AUTHORIZED, EXCEPT UNDER THE FOLLOWING INSTANCES:<br>A. DISCOVERY OF PATENT ERRORS SUCH AS OBVIOUS ERRORS IN ADDITION OR MULTIPLICATION, UNAUTHORIZED DEVIATIONS FROM DOD FINANCIAL POLICY, OR COMPUTER ERRORS IN ESTABLISHING UNIT PRICES.<br>B. TO PROVIDE CREDITS FOR DISCREPANCY REPORTS SUBMITTED BY THE PURCHASER IN ACCORDANCE WITH TERMS AND CONDITIONS OF THE DD FORM 1513.<br>C. DISCOVERY BY THE UNITED STATES THAT PAYMENT INSTRUCTIONS FOR A CASE BUT HAS FAILED TO SUBMIT A BILL.<br>D. DISCOVERY BY THE UNITED STATES THAT THE FINAL PRICE PAID TO A U.S. CONTRACTOR FOR AN ITEM PROVIDED IN ACCORDANCE WITH SECTION 22 OF THE ARMS EXPORT CONTROL ACT IS DIFFERENT FROM THE FINAL AMOUNT BILLED FOR THAT ITEM. |                                     |  |                               |
| ANALYST:<br>BRANCH CHIEF:<br>QUALITY ASSURANCE:                 |  |   |   |   | SIGNATURE   |                                     |  |                               |
| SIGNATURE   |  |   |   |   | AUTHENTICATION  |                                     |  |                               |
| OFFICE OF THE DIRECTOR<br>SECURITY ASSISTANCE ACCOUNTING CENTER |  |   |   |   |   |                                     |  |                               |

DD FORM 645 (NOV 87) PREVIOUS EDITIONS ARE OBSOLETE (Q)

TABLE 802-4 OMNIBUS STATEMENT OF ACCOUNT (DD FORM 645) EXAMPLE

| FOREIGN MILITARY SALES BILLING STATEMENT |  |  |  | UNITED STATES OF AMERICA<br>DEPARTMENT OF DEFENSE/ Army   |   |  |   |                                  |  |
|--|--|--|--|---|---|--|---|----------------------------------|--|
| 1. TO:<br>BANDARIA<br>ARMY               |  | 2. THIS IS AN OMNIBUS<br>STATEMENT OF ACCOUNT          |  | 3. STATEMENT NUMBER:<br>9X-06NA   |   | 4. FOR PERIOD ENDED:<br>9X JUN 30      |   | 5. DATE PREPARED:<br>9X JUL 05   |  |
| CASE IDENTIFICATION AND DELIVERY STATUS  |  |  |  | EXPLANATORY NOTES   |   |  |   |                                  |  |
| 6.<br>CASE<br>& RSN                      | 7.<br>TOTAL VALUE<br>ORDERED           | 8.<br>CUMULATIVE<br>DELIVERY COSTS<br>END PRIOR PERIOD | 9.<br>CURRENT PERIOD<br>DELIVERY COSTS<br>(ATTACHMENT 1) | 10.<br>CUMULATIVE<br>DELIVERY COSTS &<br>WORK IN PROCESS  | 11.<br>FORECASTED<br>REQUIREMENTS<br>(NOTE A) | 12.<br>TOTAL FINANCIAL<br>REQUIREMENTS | 13.<br>CUMULATIVE<br>PAYMENTS<br>RECEIVED | 14.<br>AMOUNT DUE<br>AND PAYABLE |  |
| CXY                                      | 100,000.00<br>Automotv supp and eq pbs | 100,000.00   | 500.00   | 100,500.00  |   |  |   |                                  |  |
| L6A                                      | 3,000.00<br>Administrative fee         | 3,000.00   | 15.00  | 3,015.00  |   |  |   |                                  |  |
| LUO                                      | 4,000.00<br>Accessorial Costs          | 4,000.00   |  | 4,000.00  |   |  |   |                                  |  |
| CASE<br>TOTAL                            | 107,000.00                             | 107,000.00   | 515.00   | 107,515.00  |   | 107,515.00                             | 107,515.00                                |                                  |  |
| REVIEW PROCESS                           |  |  |  | * DENOTES CASES CLOSED IN THE CURRENT PERIOD.   |   |  |   |                                  |  |
| SIGNATURE                                |  |  |  | This Omnibus Quarterly Billing Statement is used to report minor reconciliatory charges and credits for FMS cases for which a final Statement of Account was earlier prepared. Normally charges will be funded from the Purchaser's cash holding account. If the holding account contains insufficient funds or if the Purchaser has made other approved arrangements with SAAC, the Omnibus Billing Statement is used to request additional funds. |   |  |   |                                  |  |
| ANALYST:                                 |  |  |  |   |   |  |   |                                  |  |
| BRANCH CHIEF:                            |  |  |  |   |   |  |   |                                  |  |
| QUALITY ASSURANCE:                       |  |  |  |   |   |  |   |                                  |  |
| AUTHENTICATION                           |  |  |  |   |   |  |   |                                  |  |
| SIGNATURE                                |  |  |  |   |   |  |   |                                  |  |
| DIRECTOR, SAAC                           |  |  |  |   |   |  |   |                                  |  |

DD FORM 645 (JUN 78) PREVIOUS EDITIONS ARE OBSOLETE

**TABLE 802-5 FOREIGN MILITARY SALES DELIVERY LISTING**

| FMS DELIVERY LISTING                    |              |                  |                           |           |            |                 |                        |                     |                  |           |     |          |           |            |                |  |  |
|---|--------------|------------------|---------------------------|-----------|------------|-----------------|------------------------|---------------------|------------------|-----------|-----|----------|-----------|------------|----------------|--|--|
| COUNTRY: BANDARIA                       |              |                  | STATEMENT NUMBER: 9X-J6NA |           |            |                 | U.S. DEPT/AGENCY: ARMY |                     |                  |           |     |          |           |            |                |  |  |
| SERVICE: ARMY                           |              |                  | CASE: CXY                 |           |            |                 | RSN:001                |                     |                  |           |     |          |           |            |                |  |  |
| ARTICLES/SERVICES TRANSACTIONS          |              |                  |                           |           |            |                 |                        |                     |                  |           |     |          |           |            |                |  |  |
| DOC ID                                  | DOC          | PRC              | STOCK NUMBER              | QUAN SHIP | UNIT ISSUE | DOCUMENT NUMBER | DOC SFX                | SUPL ADRS           | M S              | ACTG DATE | TBC | DSC DATE | SHIP DATE | UNIT PRICE | EXTENDED VALUE |  |  |
| FKA                                     | B14          | A                | *49000926123500           | 1         | EA         | BBC8451009006   |                        | BZ2001              |                  | 8705      | D   | AB       | 5330      | 500.00     | 500.00         |  |  |
| ADMINISTRATIVE/ACCESSORIAL TRANSACTIONS |              |                  |                           |           |            |                 |                        |                     |                  |           |     |          |           |            |                |  |  |
| DOC ID                                  | GENERIC CODE | COST DESCRIPTION | DOCUMENT NUMBER           | ARC       | ACTG DATE  | TYPE OF COST    | PERCENT FACTOR         | TOTAL VALUE APPLIED | ADMIN/ACSRL COST |           |     |          |           |            |                |  |  |
| FKC                                     | L6A          | ADMIN COSTS      | BBD                       |           | 8705       | COMPUTED        | 3.00                   | 500.00              | 15.00            |           |     |          |           |            |                |  |  |
| SUMMARY OF DELIVERY COSTS               |              |                  |                           |           |            |                 |                        |                     |                  |           |     |          |           |            |                |  |  |
| FKA ARTICLES/SERVICE COSTS              |              |                  |                           |           |            |                 |                        |                     |                  |           |     |          |           |            |                |  |  |
| ARTICLES/SERVICES COSTS ADJUSTMENTS     |              |                  |                           |           |            |                 |                        |                     |                  |           |     |          |           |            |                |  |  |
| NET TOTAL OF ARTICLES/SERVICES COSTS    |              |                  |                           |           |            |                 |                        |                     |                  |           |     |          |           |            |                |  |  |
| FKC ADMINISTRATIVE COSTS                |              |                  |                           |           |            |                 |                        |                     |                  |           |     |          |           |            |                |  |  |
| FKD ADMINISTRATIVE COST ADJUSTMENTS     |              |                  |                           |           |            |                 |                        |                     |                  |           |     |          |           |            |                |  |  |
| NET TOTAL ADMINISTRATIVE COSTS          |              |                  |                           |           |            |                 |                        |                     |                  |           |     |          |           |            |                |  |  |
| TOTAL DELIVERY COSTS                    |              |                  |                           |           |            |                 |                        |                     |                  |           |     |          |           |            |                |  |  |

TABLE 802-6 MATERIEL/SERVICE TRANSACTION<sup>1</sup>

| <u>Transaction<br/>Position</u> | <u>Field Contents</u>   |
|---------------------------------|---|
| 1-3                             | Document Identifier Code <sup>2</sup>                               |
| 4-6                             | Routing Identifier Code   |
| 7                               | Price Code  |
| 8-22                            | Stock or Part Number/ROD Response/Narrative Description             |
| 23-24                           | Unit of Issue   |
| 25-29                           | Quantity Shipped <sup>3</sup>                                       |
| 30-43                           | Document Number   |
| 44                              | Suffix Code   |
| 45-50                           | Supplemental Address  |
| 51                              | Mode of Shipment  |
| 52-53                           | Adjustment Reply Code   |
| 54-57                           | Accounting Date (numeric year and month in which processed at SAAC) |
| 58                              | Transportation Bill Code (second position of original code)         |
| 59-60                           | Delivery Source Code  |
| 61-64                           | Date Shipped  |
| 65-73                           | Extended Value <sup>3,4</sup>                                       |
| 74-80                           | Unit Price <sup>4</sup>   |
| 81-83                           | Record Serial Number (Line)   |
| 84                              | Cost Identification Code  |
| 85                              | In-Country Service  |

<sup>1</sup> The majority of data in the Transaction is perpetuated from the delivery transaction (see Section 804 of this Volume).

<sup>2</sup> Document identifier code will be FKA for debits, FKB for credits, and FKG for reply to customer requests for adjustments (see Section 803). FKG Transactions may contain either debit or credit values.

<sup>3</sup> A credit value is indicated by an X-11 zone punch in position 29 and position 73.

<sup>4</sup> For items which the unit price exceeds \$99,999.99 or which does not calculate to an even number with no remainder, the unit price field will be blank, with a hyphen in positions 78 and 80. When the extended value is greater than \$9,999,999.99, the unit price field will be blank with a hyphen in position 80 and the extended value field will contain whole dollars only.

TABLE 802-7 TRAINING TRANSACTION

| <u>Transaction<br/>Position</u> | <u>Field Contents</u>  |
|---------------------------------|--|
| 1-3                             | Document Identifier Code (FKA, FKB)  |
| 4-6                             | Routing Identifier Code  |
| 7                               | Price Code (normally "A")  |
| 8-22                            | Course Number or Brief Description   |
| 23-24                           | Unit of Issue (normally "XX")  |
| 25-29                           | Quantity (normally absolute value of 1)  |
| 30-43                           | Document Number (normally contains zeros in positions 33-35 and ITO date and/or number in positions 36-43) |
| 44                              | Suffix Code or Blank   |
| 45-50                           | Supplemental Address (normally contains zeros in positions 46-47)  |
| 51-53                           | Blank or Zero  |
| 54-57                           | Accounting Date  |
| 58                              | Normally Blank   |
| 59-60                           | Delivery Source Code   |
| 61-64                           | Course Commencement Date or Blank  |
| 65-73                           | Extended Value (cost involved with training)   |
| 74-80                           | Unit Price (normally same as extended value)   |
| 81-83                           | Record Serial Number (Line)  |
| 84                              | Cost Identification Code   |
| 85                              | In-Country Service   |

Special Instructions

In positions 8-22 enter the training course number; for example, WCN0270AB123456. For associated costs (for example, Medical), enter the description of the service (abbreviated, as necessary) in positions 16-22 (illustration: WCN0270AMEDICAL).

TABLE 802-8 ADMINISTRATIVE TRANSACTION

| <u>Transaction<br/>Position</u> | <u>Field Contents</u>  |
|---------------------------------|--|
| 1-3                             | Document Identifier Code (FKC for debits, FKD for credits)   |
| 4-6                             | Routing Identifier Code of activity which reported materiel/services to which administrative costs apply |
| 7                               | Blank  |
| 8-19                            | Contains constant "ADM COST," left justified   |
| 20-29                           | Value of which cost applies, if applicable   |
| 30                              | U.S. Implementing Agency Code  |
| 31-32                           | FMS Country Code   |
| 33-44                           | Blank  |
| 45                              | FMS Country Service  |
| 46-47                           | Blank  |
| 48-50                           | FMS Case Designator  |
| 51                              | Blank  |
| 52-53                           | Adjustment Reply Code, if applicable   |
| 54-57                           | Accounting Date  |
| 58-60                           | Generic Code (L6A)   |
| 61-64                           | Blank  |
| 65-73                           | Value of Administrative Cost   |
| 74-80                           | Percentage rate used, if applicable  |
| 81-83                           | Record Serial Number (Line)  |
| 84                              | Country Identification Code  |
| 85                              | In-Country Service   |

TABLE 802-9 ACCESSORIAL/ADDITIONAL COST TRANSACTION

| <u>Transaction<br/>Position</u> | <u>Field Contents</u>  |
|---------------------------------|--|
| 1-3                             | Document Identifier Code (FKE for debits, FKF for credits)   |
| 4-6                             | Routing Identifier Code of activity which reported materiel/services to which<br>accessorial costs apply           |
| 7                               | Blank  |
| 8-19                            | Generic Short Title as outlined in paragraph 080204.A.5.b, e.g., CONUS TRANS.                                      |
| 20-29                           | Value to which cost applies, if applicable   |
| 30                              | U.S. Implementing Agency Code  |
| 31-32                           | FMS Country Code   |
| 33-34                           | Blank  |
| 45                              | FMS Country Service  |
| 46-47                           | Blank  |
| 48-50                           | FMS Case Designator  |
| 51                              | Blank  |
| 52-53                           | Adjustment Reply Code, if applicable   |
| 54-57                           | Accounting Date  |
| 58-60                           | Generic Code for type of cost as prescribed by the Security Assistance Management<br>Manual (SAMM) [reference (e)] |
| 61-64                           | Blank  |
| 65-73                           | Value of Accessorial Cost  |
| 74-80                           | Percentage rate used, if applicable  |
| 81-83                           | Record Serial Number (Line)  |
| 84                              | Cost Identification Code   |
| 85                              | In-Country Service   |

### 0803 FMS CUSTOMER REQUESTS FOR BILLING AND SUPPLY ADJUSTMENTS

**080301. General.** In the event customer review of the DD Form 645 and/or the supporting FMS Delivery Lists identifies the necessity for an adjustment, the customer shall be advised to submit a formal request. Requests for billing and supply adjustments for materiel/service performance and accessorial charges should be submitted to the implementing agency. Requests for adjustments pertaining exclusively to administrative charges should be submitted to DFAS-DE(SAAC). FMS customers shall be advised to submit all requests for billing and supply adjustments on a Standard Form (SF) 364, "Report of Discrepancy (ROD)," clearly indicating the specific adjustment or billing action requested. The form, instructions for completion, and definitions are prescribed in Joint Regulation DLAR 4140.60, AR 795-8, NAVSUPINST 4920.9A, AFR 67-7, and MCO 4140.1C [reference (w)]. DoD Components shall process eligible RODs in accordance with the joint regulation. After resolution of RODs applicable to materiel and services, DoD Components shall report the action which is being taken to the SAAC through use of the delivery transaction (see Section 804 of this Volume). The appropriate adjustment response codes to RODs are to be punched into positions 52-53 of the transaction.

**080302. ROD Response Codes.** The ROD response codes set forth in this paragraph have been developed to cover most replies to customer requests for billing or adjustments. When a situation arises not covered by these codes, reply by letter. Request for codes to cover additional transactions should be submitted to DFAS-HQ/A, Room 409, Crystal Mall #3, Arlington, VA 22240-2000.

#### A. Codes to identify the reason a request is being denied:

1. AA - Duplicate billing and/or shipment resulted from receipt of duplicate requisition and duplicate supply action.

2. AB - Bill reflected correct unit or extended price of materiel shipped.

3. AE - Supplier adjusted to unit pack since requisition did not prohibit this action; or shipment made in accordance with instructions in requisitions.

4. AF - Authorized substitute in latest supply manual. Requisitions did not prohibit substitutions.

5. AG - Claims prior to June 1, 1992, less than \$100 and claims after June 1, 1992, less than \$800, loss or gain to be absorbed by customer.

6. AI - Local records indicate prior reversal of duplicate credit or charge in bill number cited.

7. AJ - Credit was granted as a result of prior request and processing in billing.

8. AK - Shipment made via commercial bill of lading; U.S. Government not responsible for damaged shipments.

9. AL - Copies of shipping document evidencing proof of shipment/acceptance are attached.

10. AN - Claim less than \$25 loss or gain to be absorbed by customer.

11. AO - Request cannot be granted because discrepancy report was not received within allowable time-frame.

12. AP - Request cannot be granted because item was procured specifically for FMS customer. Section 6, Warranties, of the standard terms and conditions of the LOA, applies (see SAMM, reference e).

#### B. Codes to identify reason request granted and instructions for disposition of any materiel shipped in error:

1. BA - Materiel to be disposed of locally.

2. BB - Materiel to be returned to activity designated in positions 4-6 for subsequent credit.



3. BC - Hold unacceptable shipment quantity pending disposition instructions to be submitted via separate communication.

4. CA - Requested debit adjustment will be made and bill issued. No supply action required.

5. CB - Requested credit adjustment will be made and amended bill issued. No supply action required.

6. CF - Request granted for financial adjustment not directly related to materiel shipments, i.e., repair costs.

7. CW - Credit adjustment granted on accessorial charges--FKF transactions only.

8. CX - Credit adjustment granted on administrative charges--FKD transactions only.

9. CY - Debit adjustment granted on administrative charges--FKC transactions only.

10. CZ - Debit adjustment granted on accessorial charges--FKE transactions only.

C. Codes which are advisory and do not require billing or supply actions:

1. DA - Request previously processed and credit granted.

2. DB - Request previously processed and credit not granted.

3. DD - Billing previously rendered.

4. DG - Duplicate billing will be furnished.

5. DI - Letter of explanation follows.

6. DJ - No record of previous request. Resubmit.

7. DK - Copies of shipping documents evidencing proof of shipment and acceptance are attached.

8. DM - Reply delayed 30 days. Matter being investigated.

9. DX - Request for ROD cancellation approved.

D. Codes for requesting additional data from country:

1. EB - Document number incomplete. Resubmit.

2. EC - Bill number incomplete/missing.

3. EF - Records do not indicate duplicate shipment and/or billing on bill number cited. If duplication occurred on another bill, resubmit citing both bill numbers.

4. EI - Claim should be supported by appropriate documentation. Please resubmit.

5. EJ - Claim should be supported by confirmation of cancellation. Please resubmit.

**080303. Reply Listing.** The SAAC provides a consolidated listing of the actions taken in response to RODs. The listing titled, "Reply Listing to Customer Requests for Adjustments" is illustrated at Table 803-1. This listing shall be mailed with the DD Form 645 to the country involved. All FKG (response to RODs) shall be listed separately for each country and case. The FKG transaction contains the same data elements as the FKA/FKB transaction shown on the FMS Delivery Listing. The Reply Listing is prepared in the same basic sequence as the billing statement and FMS Delivery Listing. If the customer requests magnetic tapes to support the FMS Delivery Listing, the format for FKG transactions shall be the same as the Materiel/Service transaction at Table 802-6.

**TABLE 803-1 FOREIGN MILITARY SALES REPLY LISTING  
TO CUSTOMER REQUESTS FOR ADJUSTMENTS**

|  |           |                  |               |              |                    |            |                    |        |     |   |     |                        |               |                   |
|--|-----------|------------------|---------------|--------------|--------------------|------------|--------------------|--------|-----|---|-----|------------------------|---------------|-------------------|
| FMS REPLY LISTING TO CUSTOMER REQUESTS FOR ADJUSTMENTS |           |                  |               |              |                    |            |                    |        |     | FOR PERIOD: 86 MAR 31<br>DATE PREPARED: 86 APR 10 |     | U.S. DEPT/AGENCY: ARMY |               |                   |
| COUNTRY: BANDARIA                                      |           |                  |               |              |                    |            |                    |        |     | STATEMENT NUMBER: 86-03NC                         |     |                        |               |                   |
| DOC<br>ID  | PRC<br>CD | STOCK<br>NUMBER  | UNIT<br>ISSUE | QUAN<br>SHIP | DOCUMENT<br>NUMBER | DOC<br>SFX | SUPL<br>ADRS       | M<br>S | ARC | ACTG<br>DATE                                      | TBC | DSC                    | UNIT<br>PRICE | EXTENDED<br>VALUE |
| FKG  | BY7       | A                | EA            | 4CR          | BBDK443361A426     |            | BZ2XIL             |        | CBJ | 8603  | D   | AB                     | 70.43         | 281.72CR          |
|  |           | 'WZ001500Y616586 |               |              |                    |            | CASE: XIL RSN: 001 |        |     |   |     |                        |               |                   |
| FKG  | 591       | A                | EA            | 800CR        | BBDK443361B158     |            | BZ2XIU             |        | CBJ | 8601  | D   | AB                     | 1.50          | 1200.00CR         |
|  |           | 'S34001016767100 |               |              |                    |            | CASE: XIU RSN: 002 |        |     |   |     |                        |               |                   |

# 0804 IMPLEMENTING AGENCY PERFORMANCE REPORTS OR REQUESTS FOR REIMBURSEMENT

**080401. Reporting Deliveries.** Implementing agencies shall report the cost of DoD services, inventory items, and new procurement to the SAAC using the delivery transaction, unless the provisions of paragraph 080403 are applicable. Earned reimbursements included in such reports shall be paid within 20 working days from the date of receipt at SAAC. In the event a cash flow problem precludes payment, SAAC shall issue immediate notification to the Director, DSAA. The Director, DSAA, shall notify implementing agencies to suspend further deliveries of DoD stocks or performance of DoD services unless a determination has been made that it is in the national interest for billings to be dated and issued upon delivery or performance, with payment due in 60 days.

**080402. Delivery Reporting Codes.** The original version of the delivery transaction is illustrated at Table 804-1. It is an 80 position transaction utilized by field activities to report to the implementing agencies' FICS focal points. Section 809 of this Volume describes the current FICS "NA" and "ND" transactions. Instructions for completion of the various fields follow in the sequence of the original transaction:

A. Transaction Position 1, This field is comprised of one position containing the constant alpha character "N."

B. Transaction Position 2, "Transaction Code." This field is comprised of one position, containing an alpha or numeric character identifying the type of transaction. If blank, it is a report of articles, services, or progress payments. If it is X, it is below the line actual or estimated actual accessorial costs. If it is "Z," it is a ROD reply.

C. Transaction Position 3, "Monitor." This field is comprised of one position containing an alpha or numeric data code identifying the activity to which the case is assigned for action and which is to be reimbursed, if appropriate, for the extended value reflected in position

65-73. The alpha or numeric codes that are assigned to the various activities are:

## 1. U.S. Army Activities (Implementing Agency "B"):

|  | Code |
|--|------|
| a. U.S. Army Aviation Systems Command (AVSCOM)                               | E    |
| b. U.S. Army Forces Command  | F    |
| c. U.S. Army Tank-Automotive Command (TACOM)                                 | K    |
| d. U.S. Army Missile Command (MICOM)   | R    |
| e. U.S. Army Armament Munitions & Chemical Command (AMCCOM)                  | M    |
| f. U.S. Army Training and Doctrine Command (TRADOC)                          | T    |
| g. U.S. Army Communications-Electronics Command (CECOM)                      | U    |
| h. U.S. Army Information Systems Command (ISC)                               | C    |
| i. U.S. Army Security Affairs Command (USASAC)                               | Y    |
| USASAC is the central reporting activity for all Army activities not listed. |      |
| j. U.S. Army, Print and Publishing Agency                                    | P    |
| k. U.S. Army Troop Support Command (TROSCOM)                                 | B    |
| l. U.S. Army Simulation, Training, and Instrumentation Command (STRICOM)     | S    |

## 2. U.S. Air Force Activities (Implementing Agency "D"):

|   |   |
|---|---|
| a. Air Mobility Command                                     | A |
| b. 1100 Resource Management Group (RMG)                     | C |
| c. Air Force Communications Command                         | E |
| d. McClellan AFB, CA  | F |
| e. Hill AFB, UT   | G |
| f. Tinker AFB, OK   | H |
| g. Air Force Security Assistance Training Group (AFSAT/RMC) | J |
| h. Newark Air Force Base                                    | K |
| i. Robins AFB, GA   | L |
| j. Air Force Material Command                               | N |
| k. Kelly AFB, TX  | P |
| l. Air Combat Command                                       | T |
| m. Pacific Air Force  | V |
| n. Air Force Systems Command (AFSC)                         | X |
| o. U.S. Air Force Europe                                    |   |

## 3. U.S. Navy (Implementing Agency "P"):

|   |   |
|---|---|
| a. U.S. Navy International Logistics Control Office (NAVILCO)           | V |
| b. Naval Education Training Security Assistance Field Activity (NETSFA) | C |

## 4. Other Activities:

|  | IA | Code |
|--|----|------|
| a. U.S. Defense Audio Visual Agency (Transactions prior to 1 Oct 85) | L  | L    |
| b. U.S. Defense Mapping Agency:                                      |    |      |
| (1) DMA Aerospace Center (DMAAC)                                     | U  | S    |
| (2) DMA Topographic Center (DMATC)                                   | U  | J    |

|   |   |   |
|---|---|---|
| (3) DMA Inter-American Geodetic Survey (IAGC)           | U | X |
| c. Defense Security Assistance Agency (DSSA)            | Q | Q |
| d. Defense Nuclear Agency (DNA)                         | Z | Z |
| e. Defense Advanced Research Projects Agency (DARPA)    | W | W |
| f. Defense Contract Audit Agency (DCAA)                 | V | 2 |
| g. Defense Logistics Agency (DLA):                      |   |   |
| (1) Defense Reutilization Marketing Service (DRMS)      | R | 3 |
| (2) Defense Logistics Supply Center (DLSC)              | R | 4 |
| (3) New York Central Control Point (NYCCP)              | R | 5 |
| h. U.S. Army Corps of Engineers (COE)                   | E | A |
| i. U.S. Army-SELPO (Army-G)                             | M | M |
| j. Defense Information Systems Agency (DISA)            | C | C |
| k. Defense Finance and Accounting Service-Denver Center | D | B |

D. Transaction Positions 4-6, "Shipping Depot." The field comprised of three positions containing alpha or numeric routing identifier codes for the shipping depot or activity performing services as established in MILSTRIP [reference (x)].

E. Transaction Position 7, "Price Code." This field is comprised of one position containing an alpha code which identifies the report as a charge to work in process or a physical delivery or performance of requested DoD services. These codes are authorized:

1. Code "N" is used to report incremental billings (such as progress payments to contractors, provision or Government-furnished material to a contractor, etc.). Code "N" may also be considered to be a Contract Administration Service (CAS) computing code under the following rules:

a. Contractor progress payment must be reported with DE or DK delivery source codes only using price code "N" in position 7 if CAS is applicable. Reimbursement code must be a code other than "N." This rule applies to all services.

b. All IAs will report physical deliveries with any "delivery" DSC, a "N" reimbursement code and price code "E" or "A."

c. When no progress payment reports are involved for contractor effort, such as might be the case on small contracts, use a DSC DA through DD, BB or ED, and if CAS is to be computed, use an "N" price code. The "N" price code will not be reflected in the delivery listing.

d. An "N" price code reported in any transaction with an "N" reimbursement code will reject.

★2. Code "E" is used to report physical delivery of items at an estimated price. See paragraph 080102.B. of this regulation.

3. Code "A" is used to report physical delivery or items or performance of DoD services at actual costs. Use "A" or "E" with credit value to reverse previously submitted estimated "E" and incremental "N" reports.

F. Transaction Position 8-22, "Stock or Part Number or ROD Response." This field is comprised of 15 alpha or numeric characters which identify the hardware or services provided to the FMS customer being reported. Show stock or part number, training course number, film number, publication number, and phrase "service," "progress payment," etc. The use of the word "other" by itself is not acceptable. The purpose of this field is to provide foreign customers and DoD managers with information. For ROD responses, insert code "R" or "W" in position 8, insert SF 364 "Report of Discrepancy" control number in positions 9-13, and leave positions 14-22 blank. If the SF 364 control number is less than 5 characters, right justify with leading zeroes. Code "R" applies if ROD reply is not processed as an administrative fee ROD adjustment; "W" applies if ROD reply is processed as an administrative fee ROD adjustment. When reporting training, put worksheet control number (WCN) and Military Articles and Service List Identification Number (MASL IIN) in this field (see note and illustration in Table 802-7). In reporting the cost of DoD services, provide either a clear narrative description in positions 6-22 or use the following cost codes in the last two positions of the stock number field;

11 Civilian Personnel Services and Benefits

17 Military Personnel Services and Benefits  
 21 Travel and Transportation of Personnel  
 22 Transportation of things  
 23 Rent, Communications, and Utilities  
 24 Printing and Reproduction  
 25 Other Services  
 26 Supplies and Materials  
 31 Equipment

G. Transaction Positions 23-24, "Unit of Issue." This field is comprised of two alpha characters. Applicable Unit of Issue (Unit of Measure) abbreviations are set forth in the schedule shown below:

AM Ampoule  
 AT Assortment  
 AY Assembly  
 BA Ball  
 BD Bundle  
 BE Bale  
 BF Board  
 BG Bag  
 BK Book  
 BL Barrel  
 BO Bolt  
 BR Bar  
 BT Bottle  
 BX Box  
 CA Cartridge  
 CB Carboy  
 CD Cubic Yard  
 CE Cone  
 CF Cubic Foot  
 CK Cake  
 CL Coil  
 CN Can  
 CO Container  
 CS Case  
 CT Carton  
 CU Cube  
 CY Cylinder  
 CZ Cubic Meter  
 DR Drum  
 DZ Dozen  
 EA Each  
 EN Envelope  
 FT Foot  
 FV Five  
 FY Fifty  
 GL Gallon  
 GP Group

GR Gross  
 HD Hundred (100)  
 HK Hank  
 HR Rate per hour  
 IN Linear Inch  
 JC Job Cost  
 JR Jar  
 KT Kit  
 LB Pound  
 LG Links  
 LI Liter  
 LT Lot  
 MC 1000 Cubit Feet  
 ME Meal  
 MR Meter  
 MX Thousand  
 OT Outfit  
 OZ Ounce  
 PD Pad  
 PG Package  
 PM Plate  
 PR Pair  
 PT Pint  
 PZ Packet  
 QT Quart  
 RA Ration  
 RL Reel  
 RM Ream  
 RO Roll  
 SD Skid  
 SE Set  
 SF Square Foot  
 SH Sheet  
 SK Skein  
 SL Spool  
 SO Shot  
 SP Strip  
 SX Stick  
 SY Square Yard  
 TD 24  
 TE 10  
 TF 25  
 TN Ton  
 TO Troy Ounce  
 TS 36  
 TU Tube  
 VI Vial  
 YD Yard  
 XX Noncountable  
 Item\*

\*Items reported or billed as "dollars only," when no unit cost applies.

H. Transaction Positions 25-29, "Quantity Shipped." This field is comprised of five numeric characters which identify the quantity of units delivered. Right justify, leading zeros. Quantity shipped must be credit if extended value (positions 65-73) is credit: X-11 punch over position 29 and position 73 for credit.

I. Transaction Positions 30-43, "Document Number." This field is comprised of 14 alpha or numeric characters identifying the transaction.

1. Transaction Position 30 contains the U.S. implementing agency code

| <u>Code</u> | <u>Implementing Agency</u>  |
|-------------|---|
| B           | U.S. Army   |
| C           | Defense Information Systems Agency                                |
| D           | U.S. Air Force  |
| E           | U.S. Army Corps of Engineers                                      |
| L           | Defense Audiovisual Agency (DAVA)(Transactions prior to 1 Oct 85) |
| M           | Army-G (SELPO)  |
| P/K         | U.S. Navy/U.S. Marine Corps                                       |
| Q           | Defense Security Assistance Agency (DSAA)                         |
| R           | Defense Logistics Agency (DLA)                                    |
| U           | Defense Mapping Agency (DMA)                                      |
| V           | Defense Contract Audit Agency (DCAA)                              |
| W           | Defense Advanced Research Projects Agency (DARPA)                 |
| X           | Security Assistance Accounting Center                             |
| Z           | Defense Nuclear Agency (DNA)                                      |

2. Transaction Positions 31-32 contain the applicable FMS country code as prescribed in the SAMM [reference (e)].

3. Transaction Position 33 contains the customer in-country code as prescribed in the SAMM [reference (e)].

4. Transaction Position 34 is comprised of one alpha or numeric character identifying the delivery term code established in

the LOA. Numeric codes are used when items are sold, and alpha codes are used when customer-owned equipment is returned for overhaul services.

a. Codes used for other than "Repair and Return" transactions:

| <u>Delivery Term Code</u> | <u>Explanation</u>   |
|---------------------------|--|
| 2                         | FOB destination--inland origin to inland destination within CONUS/Canada (except Newfoundland and Labrador) or inland origin to inland destination within the same overseas geographical area. U.S./DoD is responsible for inland transportation to named inland point. Recipient country is responsible for unloading at named point and subsequent arrangements and costs. |
| 3                         | FAS (free alongside) vessel CONUS/Canada (except Newfoundland and Labrador) port of exit. U.S. DoD is responsible for transportation to point alongside vessel. Recipient country is responsible for loading aboard the vessel and subsequent arrangements and costs.  |
| 4                         | Collect commercial bill of lading (CCBL) for movement within CONUS/Canada (except Newfoundland and Labrador) or Contractor delivery of materiel procured offshore to designated Freight Forwarder or Country Representative.   |
| 5                         | FOB port of exit. U.S./DoD is responsible for inland transportation to the CONUS/Canada (except Newfoundland and Labrador) port of exit. Recipient country is responsible for unloading from inland carrier at port of exit and subsequent arrangements and costs.   |
| 6                         | FOB overseas port of discharge. U.S./  |

|   |  | Delivery Term |  |
|---|--|---------------|--|
|   |  | <u>Code</u>   | <u>Explanation</u>   |
|   | DoD is responsible for transportation from CONUS/Canada (except Newfoundland and Labrador) point of origin to and including ocean transportation to the overseas port of discharge. Recipient country is responsible for vessel discharge, port handling and subsequent arrangements and costs.  |               |  |
| 7 | FOB destination (named inland point in recipient country). U.S. DoD is responsible for transportation from CONUS/Canada (except Newfoundland and Labrador) point of origin to and including overseas inland carrier delivery to named inland point. Recipient country is responsible for unloading at named point and subsequent arrangements and costs.                   | A             | U.S. DoD is responsible for transportation from a designated overseas port of embarkation (POE) to a CONUS destination and return to a designated overseas port of debarkation (POD). Customer country is responsible for overseas inland transportation of materiel to or from the overseas POE or POD and overseas port handling.                  |
| 8 | FOB vessel-CONUS/Canada (except Newfoundland and Labrador) port of exit. U.S./DoD is responsible for transportation from CONUS/Canada (except Newfoundland and Labrador) point of origin to and including unloading, handling, and storage aboard vessel at port of exit. Recipient country is responsible for ocean transportation and subsequent arrangements and costs. | B             | U.S. DoD is responsible for transportation from a designated overseas POE to a CONUS destination, return to a CONUS POE and CONUS port handling. Customer country is responsible for overseas inland transportation to the overseas POE, overseas port loading, and over-ocean transportation from the CONUS POE to ultimate destination.            |
| 9 | FOB port of discharge (Landed). U.S./DoD is responsible for transportation from CONUS/Canada (except Newfoundland and Labrador) point of origin to and including vessel discharge and port handling at overseas port of discharge. Recipient country is responsible for loading on inland overseas carrier equipment and for subsequent arrangements and costs.            | C             | U.S. DoD is responsible for CONUS port unloading of country-arranged carrier, transportation to and from a designated CONUS destination, and CONUS port loading of country-arranged carrier. Customer country is responsible for movement of materiel to and from the CONUS POD or POE.  |
| 0 | services performed (e.g., training and special assignment airlift mission).  | D             | U.S. DoD is responsible for CONUS port unloading of country-arranged carrier, transportation to a CONUS destination and return to an overseas designated POD. Customer country is responsible for over-ocean transportation to a CONUS POD, overseas port unloading and overseas inland transportation to ultimate destination of returned materiel. |
|   | b. Codes used in connection with "Repair and Return" transactions: Normally the return of repaired materiel will be reported through the use of Transportation Bill Code "L."  | E             | Customer country is responsible for all transportation from overseas point of origin to CONUS activity and return to an overseas destination.  |

- |  |  |
|--|--|
| <p>F U.S. DoD is responsible for transportation from an overseas inland location to an overseas POE, overseas port handling, overseas transportation to a CONUS POD, CONUS port handling, inland transportation to a designated CONUS destination, and return to an overseas destination.</p> <p>G U.S. DoD is responsible for overseas port handling through an overseas POE, overseas transportation to a CONUS POD, CONUS port handling, inland transportation to a CONUS destination, and return to an overseas POD and overseas port handling. Customer country is responsible for overseas inland transportation to and from the overseas port.</p> <p>H Customer country is responsible for all transportation from overseas point of origin to CONUS activity. U.S. DoD is responsible for return transportation from CONUS activity to CONUS POE. Customer country is responsible for return CONUS port handling and all transportation to overseas destination.</p> <p>J Customer country is responsible for all transportation from overseas point of origin to CONUS activity. U.S. DoD is responsible for all transportation from CONUS activity to overseas destination.</p> | <p>5 Cash sale from procurement. Cash to be deposited by customer in advance to meet contract payment requirements.</p> <p>6 Sale of DoD inventory or services. Cash to be deposited by customer upon delivery. Requires a written statutory determination by the Director, DSAA. Reimbursement to DoD Components is made after customer payment received.</p> <p>7 Cash sale from procurement. Payment from customer due 120 days after delivery. Payments to contractors financed by special emergency appropriation.</p> <p>8 Sale of DoD inventory or services. Payment from customer due 120 days after delivery. Payments to DoD Components financed by special emergency appropriation.</p> <p>M Foreign Military Sales funded by Military Assistance Program.</p> <p>N Source of supply not determined; FMS nonrepayable credit, AECA Sections 23 and 24.</p> <p>U FMSO I - customer purchase of equity in DoD inventory. Cash to be deposited by customer in advance of inventory augmentation.</p> <p>V FMSO II - Shipment of customer equity with automatic replenishment action to maintain original dollar equity in inventory. Cash to be deposited by customer in advance of equity drawdown.</p> <p>Z Source of supply not predetermined. Cash to be deposited by credit appropriations or lending institution in advance of delivery from inventory, performance of DoD services, or payments to contractors.</p> |
|--|--|

5. Transaction position 35 contains the "type of assistance code" established in the SAMM [reference (e)]. Applicable codes are set forth in the following schedule.

Code    Summary Description

- |   |
|---|
| <p>3 Sale of DoD inventory or services. Cash to be deposited by customer in advance of delivery or performance.</p> <p>4 Source of supply not determined. Cash to be deposited by customer in advance of delivery or performance.</p> |
|---|

6. Transaction Positions 36-39 contain the requisition date (YDDD).



7. Transaction Positions 40-43 contain the serial number of the document.

J. Transaction Position 44. Suffix Code. This field is comprised of one alpha or numeric character. The code shows partial action by supplier without losing the identity of the original requisition. The codes must be considered in combination with dates and quantities shipped when accounting for split transactions. Block assignment of the suffix codes is accomplished essentially as follows:

| <u>Processing Source</u> | <u>Assigned Suffix Codes</u> |
|--------------------------|------------------------------|
| Initial Source           | A through E                  |
| First Secondary Source   | F through H, J, and K        |
| Second Secondary Source  | L, M, Q, T, and U            |
| Third Secondary Source   | V through X                  |
| Fourth Secondary Source  | Z through 9                  |

K. Transaction Positions 45-50. Supplemental Address. This field is comprised of six alpha or numeric characters identifying where to ship an FMS case.

1. Transaction position 45 contains customer country military service code.

2. Transaction positions 46-47 contain the offer release/option and freight forwarder codes.

3. Transaction positions 48-50 contain the FMS case designator.

4. Transaction positions 45-47 are blank when reporting actual accessorial costs.

L. Transaction position 51. Mode of Shipment. This field is comprised of one alpha or numeric character to show the mode of shipment provided for in the LOA. This position is left blank when reporting actual accessorial costs

#### Mode of Shipment Codes

| <u>Mode of Shipment</u> | <u>Initial Method of Movement</u> |
|-------------------------|-----------------------------------|
|-------------------------|-----------------------------------|

#### Code by the Shipper

|   |   |
|---|---|
| A | Motor, truckload  |
| B | Motor, less truckload   |
| C | Van (unpacked, or uncrated personal or government property)   |
| D | Drive-away, truck-away, tow-away  |
| E | Bus   |
| F | Military Airlift Command (Channel and Special Assignment Airlift Mission)   |
| G | Surface, parcel post  |
| H | Air, parcel post  |
| I | Government truck for shipments outside local delivery area  |
| J | Air, small package carrier  |
| K | Rail, carload includes trailer or container-on-flatcar (including SEAVAN)   |
| L | Rail, less than carload includes trailer or container-on-flatcar (including SEAVAN)   |
| M | Surface, Freight Forwarder  |
| O | Organic military air (includes aircraft of foreign governments)   |
| P | Through government bill of lading (TGBL)  |
| Q | Commercial air freight; includes regular and expedited service (provided by major airlines), also includes charters and air taxi. |
| R | [Reserved for future use]   |
| S | Scheduled truck service (applies to contract carriage, guaranteed traffic routings, or scheduled services)                        |
| T | Air freight forwarder   |
| U | QUICKTRANS  |
| V | Sea-van service   |
| W | Water, river, lake, or coastal (commercial)   |
| X | Bearer walk through (customer pickup of materials)  |
| Y | Military intra-theater airlift services   |
| Z | MSC (controlled/contract/arranged space)  |
| 2 | Government watercraft barge/lighter   |
| 3 | Roll-on or roll-off service   |
| 4 | Defense Courier Service (DCS)   |
| 5 | Surface, small package carrier  |
| 6 | Military official mail (MOM)  |
| 7 | Express mail  |
| 8 | Pipeline  |

9 Local delivery, including deliveries between air or water terminals and adjacent activities.

M. Transaction Positions 52-53. Adjustment Reply Code. This field is comprised of two alpha characters and is used only when a ROD is being reported. Authorized adjustment reply codes are set forth in paragraph 080302. This field is left blank for normal delivery reporting of articles and services.

N. Transaction Position 54. Program Year. This field is comprised of one numeric character. The character is the last digit of the fiscal year in which an earned reimbursement shall be realized.

O. Transaction Positions 55-56. Delivery Source Code. This field is comprised of two alpha characters. Codes in the field provide an audit trail between performance and the pricing requirements of Chapter 7. The code is used by SAAC to recognize earnings for surcharges. Therefore, it is imperative that the correct codes be used. An incorrect code could result in the FMS customer being over or under-charged. The surcharges applied in Table 804-2 are based on funding source, stock fund/Defense Business Operations Fund or appropriation, and section of the AECA (21 or 22)[reference (a)].

| <u>Code</u> | <u>Definitions</u> |
|-------------|--------------------|
|-------------|--------------------|

Sale of DoD Articles Under Section 21

Stock fund/Defense Business Operations Fund nonexcess items, including technical data packages and publications, from inventory.

|    |                            |
|----|----------------------------|
| AA | 1. Matured FMSO            |
| AB | 2. Other than matured FMSO |

Stock fund/Defense Business Operations Fund nonexcess items diverted from procurement initiated to maintain stock fund inventory.

|    |                            |
|----|----------------------------|
| AC | 1. Matured FMSO            |
| AD | 2. Other than matured FMSO |

|    |  |
|----|--|
| AE | Procurement funded item, including technical data packages and publications from inventory, that requires replacement. |
|----|--|

|    |  |
|----|--|
| AG | Procurement funded item (including technical data packages and publications) from inventory that does not require replacement. |
|----|--|

Excess Stock Fund/Defense Business Operations Fund Item

|    |                            |
|----|----------------------------|
| AH | 1. Matured FMSO            |
| AJ | 2. Other than Matured FMSO |

Excess Procurement Funded Item from Inventory

|    |  |
|----|--|
| AK | PC&H computed on original acquisition cost of item and submitted by IA |
|----|--|

Any Item Other Than Defense Business Operations Fund Items

|    |  |
|----|--|
| AL | Items sold from inventory that are not subject to normal PC&H charge. This code shall only be used when the case contains a transportation line or a packing, crating, and handling line, or a pricing exception has been granted by the Office of the Comptroller, DoD. |
|----|--|

Performance of DoD Services Under Section 21 or 22

Training Course

|    |               |
|----|---------------|
| BA | 1. DoD        |
| BB | 2. Contractor |

|    |   |
|----|---|
| BC | Repair or replace customer equipment. IAs shall include actual PC&H and transportation for materiel consumed in overhaul in reported costs. |
|----|---|

|    |   |
|----|---|
| BD | Other DoD services. Does not include "above-the-line" transportation or "above-the-line" PCH&T associated with the repair or modification of customer-owned equipment that is included in repair cost reported using Code "BC." |
|----|---|

|    |   |
|----|---|
| BE | Storage charge (for other than FMSO cases). |
|----|---|

|    |  |  |  |    |   |
|----|--|--|--|----|---|
|    | Leases   |  |  |    | FMS customer. These charges shall be liquidated by one of the contract delivery codes DA through DD in combination with reimbursement code "N."   |
| BF | 1. Depreciation  |  |  | DA | 1. Contractor services (other than training)  |
| BG | 2. LOA sales of articles and services in connection with lease, prior to, during, or after lease period (includes transportation PC&H refurbishment).  |  |  | DB | 2. Stock fund/Defense Business Operations Fund item, TDP, or publications from contractor   |
| BH | Actual PC&H charge. This report must accompany delivery transactions for items sold from inventory with DSCs AK and AL.  |  |  | DC | 3. Procurement appropriation funded secondary item from contractor  |
| BT | "Above-the-line" transportation to FMS customers that is included in management line. Code includes "high-flight" or special airlift. Code does not include "above-the-line" transportation cost that is included in the selling price of an item or service.  |  |  | DD | 4. Procurement funded principal or major item from contractor   |
|    | <u>Unique FMSO Charges</u>   |  |  | DE | 5. Progress payment to contractor   |
| CA | FMSO I materiel used to support system obsolete to DoD use (buy out of unique repair parts to support obsolete end-items).   |  |  | DF | 6. DoD services in support of procurement (this code was applied to actual CAS hours prior to establishment of the surcharge. It now applies to other than CAS services.)                                   |
| CB | Annual inventory maintenance and storage cost. Charge annually on current FMSO II case. The FMSO I case manager shall input the FMS detail delivery transaction. There is no annual charge for stock fund/Defense Business Operations Fund items for CLSSAs as the stock fund/Defense Business Operations Fund standard price recoups all costs. |  |  | DG | 7. Nonrecurring Cost Recoupment Charges (R&D and Production)  |
|    |  |  |  | DJ | a. Shipped from inventory   |
|    |  |  |  | DK | b. Shipped from another contractor  |
|    |  |  |  | DL | c. PCH&T applicable to procurement appropriation funded GFM   |
|    |  |  |  | DX | 9. Contractor effort in overseas locations which is supported by an FMS management line rather than through normal CAS effort.  |
|    |  |  |  |    | <u>Miscellaneous Charges</u>  |
| CC | Normal inventory loss on procurement appropriation funded secondary items (physical inventory gain or loss, expiring shelf life, and damage of stored parts). Charge assessed annually on current FMSO II case. The FMSO I case manager shall input the delivery transactions.   |  |  | EE | 1. Royalty charge (USG TDP)   |
|    |  |  |  | EF | 2. Other federal agency shipment  |
|    |  |  |  | EG | a. From stock   |
|    |  |  |  | EH | b. From contractor  |
|    |  |  |  | EJ | 3. NATO POL   |
|    |  |  |  | EK | 4. Redistributable MAP property   |
|    |  |  |  |    | 5. Collection on nonrecurring production charge or license fee on behalf of a third country   |
| CD | Cash advances for on-hand portion of FMSO I.   |  |  | EL | 6. Prepositioning costs   |
|    |  |  |  | EM | 7. Interest on arrearage computed in accordance with Volume 6, Chapter 12 of this Regulation. Collecting and Reporting of Foreign Indebtedness Within the Department of Defense. Restricted to use by SAAC. |
|    | <u>Procurement for FMS Customers Under Section 22</u>  |  |  |    | 8. Nonrecurring cost recoupment charges   |
|    | Codes DE through DL represent Work-in-Process (WIP) transactions. The break-down of these charges provides audit trail visibility for pricing purposes. The SAAC shall treat them as progress payments and report them as such to the  |  |  | EN |   |

Special Defense Acquisition Fund

The SDAF shall use delivery source codes as follows:

- SA This code shall be used for SDAF sales of items originally purchased from DoD stock fund/Defense Business Operations Fund inventories.
- SB This code shall be used for SDAF sales of items originally purchased from DoD inventories other than stock fund/Defense Business Operations Fund.
- SD This code shall be used for SDAF sales of items procured from contractors for the fund.
- SE This code shall be used for SDAF sales items procured from contractors and shipped directly from the contractor to the FMS customer, providing there is no requirement for any special packing, crating, or handling.

P. Transaction Position 57. Port of Embarkation. This field is comprised of one alpha character. Use "A" when materiel is moved through an aerial port. A blank or "W" in the position indicates a water port, if applicable.

Q. Transaction Position 58. Reimbursable Code. This field is comprised of one alpha character. This code is used by SAAC to determine the reimbursable status of the report.

Code Definition

- A Reimbursable to SDAF (sale of SDAF inventory or equity in a contract)
- I Interfund
- R Reimbursable
- S Self-reimbursed (nonreimbursable)
- D Direct cite (nonreimbursable)
- M Miscellaneous Receipts (nonreimbursable) (This code shall be used to report transactions applicable to the Miscellaneous Receipt Account when SAAC has been chartered to transfer funds from 9711X8242 to the U.S. Treasury. This transaction shall be nonreimbursable to the reporting activity.)
- N Delivery of articles and services for which a progress payment or WIP has been reported (nonreimbursable). (This code shall be used to report physical delivery of

items when applicable costs have been previously reported to the FMS customer as a progress payment, WIP, or when an FMS customer's equity in inventory is physically delivered (delivery source code "CA"). This code shall liquidate progress payments or WIP transactions previously reported. When the code is reported to SAAC, computer programs shall increase or decrease progress payments disbursed undelivered amount. The increase or decrease depends upon the size of the extended value. If the extended value is a debit, the delivered articles and services amount shall increase and progress payment disbursed unliquidated amount shall decrease. If the extended value is a credit the delivered articles and services amount shall decrease and the progress payment disbursed undelivered amount shall increase.

R. Transaction Position 59. Transportation Bill Code. This field is comprised of one alpha character. Use "L" when the Defense Transportation System is approved and used. Actual transportation costs will be reported by the DoD Component in the price of the item or repaired materiel. The code is used by SAAC to recognize earnings for "below-the-line" transportation of inventory items shipped from activities other than Defense Business Operations Funds or Stock Funds to freight forwarders or to other locations directed by the foreign customers. Transportation Bill codes are used to bill FMS customers for "below-the-line" transportation costs. The codes are mandatory if the actual method of transportation is different than that identified by the delivery term code (transaction position 34). Normally the return of repaired materiel will be reported through the use of Transportation Bill Code "L." Applicable codes follow.

Code Description

- A Materiel moved by parcel post to an inland CONUS/Canada (except Newfoundland and Labrador) destination or freight forwarder, or to an overseas destination through the Army/AF postal system (APO or international mail). All subsequent arrangements are made by the FMS customer.

- B Materiel moved by commercial package carrier to an inland CONUS/Canada (except Newfoundland and Labrador) destination or freight forwarder, when all subsequent arrangements are made by the FMS customer. However, see TBC "Z" below.
- C Materiel moved by GBL, MAC channel airlift, USAF organizational airlift, MSC sealift, and combinations thereof, to an overseas POD in rate area one or two, including overseas carrier discharge. All subsequent arrangements are made by the FMS customer.
- D Any form of materiel for which the FMS customer is totally responsible, such as materiel moved by a collect commercial bill of lading to an inland CONUS destination, free alongside (FAS), an overseas carrier at a CONUS POE, freight forwarder, a CONUS POE, or an inland overseas destination. Also used if transportation costs are not applicable.
- E Materiel moved by GBL, MAC channel airlift, USAF organizational airlift, MSC sealift, and combinations thereof, to an inlandWONUS destination, FAS an overseas carrier at a CONUS POE, a freight forwarder, or a CONUS POE when all subsequent arrangements are made by the FMS customer.
- F Materiel moved by GBL, MAC channel airlift, USAF organizational airlift, MSC sealift, and combinations thereof, to an overseas POD in rate area one or two, when overseas carrier discharge and all subsequent arrangements are made by the FMS customer.
- G Materiel moved by GBL, MAC channel airlift, USAF organizational airlift, MSC sealift, DCS, MOM, Weapons System Pouch Service and combinations thereof, to the ultimate FMS consignee at an overseas inland destination in rate area one or two.
- H Materiel moved by GBL, MAC channel airlift, USAF organizational airlift, MSC sealift, and combinations thereof, to a CONUS POE when all arrangements subsequent to loading the vessel are made by the FMS customer.
- J Materiel moved by MAC channel airlift to an overseas APOD in rate area one or two when the use of inland CONUS transportation is not required in effecting delivery to the CONUS POE. All arrangements subsequent to earner discharge are made by the FMS customer.
- K Materiel moved by MAC special assignment airlift mission (SAAM) within the CONUS to an overseas APOD or inland FMS consignee base within an overseas area or between overseas areas. Any arrangements subsequent to carrier discharge are made by the FMS customer.
- L Substitute for any of the other standard codes whenever actual transportation costs will be reported in accordance with Chapter 7.
- M Materiel moved by FMS country-owned aircraft from a U.S. DoD staging area.
- N Materiel moved by GBL or other CONUS inland mode to a CONUS staging or aggregation area, staging or aggregation of the materiel; and onward movement of the materiel to a freight forwarder by a collect commercial bill of lading (CBL) or by country-owned or provided aircraft, or by MAC or by commercial SAMM.
- P Materiel moved by GBL or other CONUS inland mode to a CONUS staging or aggregation area, staging or aggregation of the materiel; and onward movement of materiel by GBL or other prepaid (reimbursable) CONUS transportation to an aerial or water POE, FAS an overseas carrier at a CONUS POE, or arrangements are made by the FMS customer.
- Q Materiel moved by GBL or other CONUS inland mode to a CONUS staging

- or aggregation area, staging or aggregation of the materiel; out movement of the materiel from the staging area by GBL, or other prepaid (reimbursable) CONUS transportation to an aerial or water POE; port handling of the materiel, and onward movement by GBL, MAC channel airlift, USAF organizational aircraft, MSC sealift, and combinations thereof, to an overseas POD in rate area one or two, when overseas carrier discharge and all subsequent arrangements are made by the FMS customer.
- R Materiel moved by GBL or other CONUS inland mode to a CONUS staging or aggregation area, staging or aggregation of the materiel; out movement of the materiel from the staging area by GBL or other prepaid (reimbursable) CONUS transportation to an aerial or water POE; port handling of the materiel, and onward movement by GBL, MAC channel airlift, USAF organizational aircraft, MSC sealift, and combinations thereof, to an overseas POD in rate area one or two; overseas port handling of the materiel; and onward overseas inland movement to the ultimate FMS consignee at an overseas, inland destination in rate area one or two.
- S Materiel moved by GBL or other CONUS inland mode to a CONUS staging or aggregation area, staging or aggregation of the materiel; out movement of the materiel from the staging area by GBL or other prepaid (reimbursable) CONUS transportation to an aerial or water POE; and loading of the materiel aboard a country-owned or provided aircraft or vessel, when all arrangements subsequent to loading the aircraft or vessel are made by the FMS customer.
- U Materiel moved by parcel post or commercial package carrier to CONUS POD when all arrangements subsequent to loading the vessel are made by the FMS customer. (Mode of shipment determines whether parcel post or commercial package carrier is used.)
- V Materiel moved by parcel post or commercial package carrier to an overseas POD in rate area one or two, including overseas carrier discharge, when arrangements subsequent to loading the vessel are made by the FMS customer. (Mode of shipment determines whether parcel post or commercial package carrier is used.)
- W Materiel movement charged according to rates listed in the transportation cost look-up table (see paragraph 080501).
- X Materiel moved by parcel post or commercial package carrier to an overseas POD in rate areas one or two, when overseas carrier discharge and subsequent arrangements are made by the FMS customer. (Mode of shipment determines whether parcel post or commercial package carrier is used.)
- Y Materiel moved by parcel post or commercial package carrier to the ultimate FMS consignee at an overseas inland destination in rate areas one or two. (Mode of shipment determines whether parcel post or commercial package carrier is used.)
- Z Materiel moved within the CONUS by commercial carrier with a published maximum rate of \$25.00 (for example, as published by United Parcel Service).
- S. Transaction Position 60. Stock Fund or Non-Stock Fund (Defense Business Operations Fund). This field is reserved for future use.
- T. Transaction Positions 61-64. Date Shipped/Services Performed. This field is comprised of four numeric characters and represents the Julian date of performance in format YDDD. The date is used by SAAC to monitor compliance with the requirement to submit delivery transactions within 30 days of performance.
- U. Transaction Positions 65-73. Extended Value. This field is comprised of nine numeric characters. It represents the dollar value of the report. Right justify with leading

zeros. X-11 punch over position 29 and position 73 to represent credit value.

V. Transaction Positions 74-76. Record Serial Number (RSN). This field is comprised of three alpha or numeric characters. It identifies the LOA line item to which the report is applicable.

W. Transaction Positions 77-79. Appropriation/Fund Budget Code. This field is comprised of three alpha or numeric characters. The reporting activity may use the field to identify the appropriation or fund to be reimbursed, if applicable.

X. Transaction Position 80. Rounded Dollar Indicator. This field is comprised of one alpha character. An "X" is used to indicate when extended value is reported in dollars only. When physical delivery is being reported, and extended value exceeds \$9,999,999.99, enter dollars only (rounded) in positions 65-73 and an alphabetic "X" in position 80. If physical delivery does not apply (such as progress payments, services, etc.), submit two or more transactions to equal total value (and quantity, if applicable).

**080403. Interfund Transactions.** Stock fund/Defense Business Operations Fund items are normally billed under interfund procedures and use the detailed billing cards prescribed in DoD 4000.25-7-M, MILSBILLS [reference (x)]. In order to minimize the impact, the special requirements of the FMS program have on the normal MILSBILLS billing procedures and still provide implementing agencies or the SAAC with the data necessary to assure proper FMS billing, a modified MILSBILLS detailed billing transaction may be used to report FMS shipments. This modified MILSBILLS detailed billing transaction is in lieu of the FICS delivery transaction. The required modification is to substitute information which normally appears in the unit price field (positions 74-80) of the MILSBILLS detailed billing transaction. The information required on billings applicable to the FMS program follows.

A. Positions 74-76. Record Serial Number. This field of the modified MILSBILLS billing transaction is composed of three numeric

or alpha characters showing the FMS case line number (left justify). The information is obtained from positions 54-56 of the FMS requisitions submitted by the Army, 48-50 of FMS requisitions submitted by the Air Force, and 57-59 of FMS requisitions submitted by the Navy and Marine Corps.

B. Position 77. Transportation Bill Code. This field of the modified MILSBILLS detailed billing transaction is comprised of one alpha character. The applicable transportation bill codes prescribed in section 080402.R. shall be reflected in this field.

C. Positions 78-79. Delivery Source Code. This field of the modified MILSBILLS detailed billing transaction is comprised of two alpha characters. The applicable Delivery Source Code as prescribed in 080402.O. shall be reflected in this field.

D. Position 80. Stock Fund or Non-Stock Fund (Defense Business Operations Fund) Code. This field of the modified MILSBILLS detailed billing transaction is comprised of one alpha/numeric character. The applicable code prescribed in section 080402.R. shall be reflected in this field.

**080404. SAAC Computations.** Based on data contained in delivery transactions or the modified MILSBILLS detailed bill transaction, SAAC computes and bills FMS customers for accrued expenditures resulting from the application of various surcharges. This paragraph describes these surcharge calculations. Table 804-2 contains a surcharge matrix for each Delivery Source Code (DSC) defined in para. 080402.O. An "N" in the matrix means that SAAC does not apply a percentage surcharge. A "Y" in the matrix means that SAAC applies a percentage surcharge.

A. Contract Administration Surcharge. This surcharge is applied based upon Delivery Source Codes (see paragraph 080402.O. and Table 804-2). SAAC maintains a "look-up table" which identifies those FMS cases on which all or part of contract administration charges have been waived pursuant to statute. The contract administration surcharge percentages

prescribed in Chapter 7 are applied to all other FMS cases as a percentage of reported payments to contractors. SAAC performance and delivery reporting feedback reports (see Section 809) provide the amount of CAS computed based upon delivery transactions. When physical delivery is reported, either at estimated or actual price, the delivered value shall include the SAAC-calculated CAS charges.

| <u>Condition</u>  | <u>Percentage Applied to Contract Payments</u> |
|---|--|
| All contract administration costs recoupment waived                     | 0%   |
| Contract audit cost recoupment waived                                   | 1.0%   |
| Quality assurance, inspection and contract audit cost recoupment waived | .5%  |
| Quality assurance, inspection cost recoupment waived                    | 1.0%   |
| No waiver   | 1.5%   |

**B. Packing, Crating, and Handling Surcharge.**

1. Shipments from DoD Procurement Funded Item Inventory. This surcharge is applied based upon Delivery Source Codes (see paragraph 080402.O. and Table 804-2). The surcharge is applied on all shipments of procurement appropriation funded secondary items that are made from DoD depots, unless an exception for the use of the actual cost has been provided by the Comptroller, DoD.

2. Shipments from GSA Inventory. This packing, crating, and handling surcharge prescribed by GSA is recouped and reimbursed to GSA by SAAC on all shipments from inventory made by GSA.

**C. Transportation Surcharge.** This below-the-line surcharge is applied based upon Transportation Bill Codes (see paragraph 080402.R.), unless an item is included in the transportation cost look-up table (see paragraph 080501) or an exception for the use of actual transportation costs has been approved by the Office of the DoD Comptroller. In the event the transportation bill code has been omitted, the

transportation surcharges are applied based upon delivery term codes (see subparagraph 080402.I.4.). Calculations based upon delivery term codes are shown at Tables 804-3A and B. Calculations based upon transportation bill codes are shown at Tables 804-4A and B. Transportation of items shipped from Defense Business Operations Funds (Stock Funds) to FMS customer freight forwarders is included in the item price. Transportation rates reflected in these tables have been adjusted to reflect this.

**D. One Percent Asset Use Charge Surcharge.** This surcharge was canceled with the "Fair Pricing" Legislation (Section 9104 of Public Law 101-165) effective November 30, 1989.

**E. FMS Administrative Surcharge.** The FMS Administrative Surcharge in effect at the time the LOA or amendment was accepted by the FMS customer is applied by SAAC, based upon delivery source codes (see section 080402.O.). The surcharge is applied on all "above-the-line" accrued expenditures unless a statutory waiver of cost recoupment has been made.



**TABLE 804-1 DELIVERY TRANSACTION (N)**

|    |                     |   |  |
|----|---------------------|---|--|
| 1  | CARD CODE           |   |  |
| 2  |                     |   |  |
| 3  | MONITOR             |   |  |
| 4  | SHIPPER/            |   |  |
| 5  | REPORTING           |   |  |
| 6  | ACTIVITY            |   |  |
| 7  | PRICE CODE          |   |  |
| 8  |                     |   |  |
| 9  |                     |   |  |
| 10 |                     |   |  |
| 11 |                     |   |  |
| 12 |                     |   |  |
| 13 |                     |   |  |
| 14 |                     |   |  |
| 15 |                     |   |  |
| 16 |                     |   |  |
| 17 |                     |   |  |
| 18 |                     |   |  |
| 19 |                     |   |  |
| 20 |                     |   |  |
| 21 |                     |   |  |
| 22 |                     |   |  |
| 23 |                     |   |  |
| 24 |                     |   |  |
| 25 | UNIT OF             |   |  |
| 26 | ISSUE               |   |  |
| 27 |                     |   |  |
| 28 | QUANTITY            |   |  |
| 29 | CR                  | X |  |
| 30 | U.S. SERVICE        |   |  |
| 31 | COUNTRY             |   |  |
| 32 |                     |   |  |
| 33 | CUSTOMER            |   |  |
| 34 | DEL TERM CODE       |   |  |
| 35 | TYPE FINANCE        |   |  |
| 36 | YEAR                |   |  |
| 37 |                     |   |  |
| 38 | DAY                 |   |  |
| 39 |                     |   |  |
| 40 | SERIAL              |   |  |
| 41 | NUMBER              |   |  |
| 42 |                     |   |  |
| 43 |                     |   |  |
| 44 | SUPPLY              |   |  |
| 45 | COUNTRY SV          |   |  |
| 46 | FREIGHT             |   |  |
| 47 | FORWARDER           |   |  |
| 48 |                     |   |  |
| 49 | CASE                |   |  |
| 50 | NUMBER              |   |  |
| 51 | MODE SHIPPED        |   |  |
| 52 | ADJUSTMENT          |   |  |
| 53 | ALLOWANCE CODE      |   |  |
| 54 | PROGRAM YR          |   |  |
| 55 | DELIVERY SOURCE     |   |  |
| 56 |                     |   |  |
| 57 | FOE CODE            |   |  |
| 58 | REIMBURSEMENT CODE  |   |  |
| 59 | TRANSPORT BILL CODE |   |  |
| 60 | SECTION OF          |   |  |
| 61 |                     |   |  |
| 62 |                     |   |  |
| 63 | DATE                |   |  |
| 64 | SHIPPED             |   |  |
| 65 |                     |   |  |
| 66 |                     |   |  |
| 67 |                     |   |  |
| 68 | DOLLARS             |   |  |
| 69 |                     |   |  |
| 70 |                     |   |  |
| 71 |                     |   |  |
| 72 | CENTS               | X |  |
| 73 | CR                  |   |  |
| 74 | FMS CASE            |   |  |
| 75 | LINE ITEM ID        |   |  |
| 76 |                     |   |  |
| 77 |                     |   |  |
| 78 |                     |   |  |
| 79 | APPROPRIATION/      |   |  |
| 80 | FUND CODE           |   |  |
| 81 |                     |   |  |
| 82 | ROUNDED & IND       |   |  |

**TABLE 804-2 SURCHARGE MATRIX**

| <u>DSC</u> | <u>Contract<br/>Administration<sup>1</sup></u> | <u>PCH<sup>2</sup></u> | <u>Admin<sup>5</sup></u> | <u>Transportation<sup>6,7</sup><br/>Parcel Post<sup>8</sup></u> |
|------------|--|------------------------|--------------------------|---|
| AA         | N  | N                      | Y                        | A   |
| AB         | N  | N                      | Y                        | A   |
| AC         | N  | N                      | Y                        | A   |
| AD         | N  | N                      | Y                        | A   |
| AE         | N  | Y                      | Y                        | B   |
| AG         | N  | Y                      | Y                        | B   |
| AH         | N  | N                      | Y                        | A   |
| AJ         | N  | N                      | Y                        | A   |
| AK         | N  | N                      | Y                        | B   |
| AL         | N  | N                      | Y                        | B   |
| BA         | N  | N                      | Y                        | N   |
| BB         | Y  | N                      | Y                        | N   |
| BC         | N  | N <sup>3</sup>         | Y                        | N <sup>3</sup>  |
| BD         | N  | N                      | Y                        | N   |
| BE         | N  | N                      | Y                        | N   |
| BF         | N  | N                      | N                        | N   |
| BG         | N  | N                      | Y                        | N   |
| BH         | N  | N                      | Y                        | N   |
| BT         | N  | N                      | Y                        | N   |
| CA         | N  | N                      | N                        | N   |
| CB         | N  | N                      | Y                        | N   |
| CC         | N  | N                      | Y                        | N   |
| CD         | N  | N                      | N                        | N   |
| DA         | Y  | N                      | Y                        | N   |
| DB         | Y  | N                      | Y                        | A   |
| DC         | Y  | N                      | Y                        | B   |
| DD         | Y  | N                      | Y                        | N   |
| DE         | Y  | N                      | Y                        | N   |
| DF         | N  | N                      | Y                        | N   |
| DG         | N  | N                      | Y                        | N   |
| DJ         | N  | N                      | Y                        | N   |
| DK         | Y  | N                      | Y                        | N   |
| DL         | N  | N                      | Y                        | N   |
| DX         | N  | N                      | Y                        | N   |
| EE         | N  | N                      | Y                        | N   |
| EF         | N  | Y <sup>4</sup>         | Y                        | B   |
| EG         | N  | N                      | Y                        | B   |
| EH         | N  | N                      | Y                        | N   |
| EJ         | N  | Y                      | Y                        | Y <sup>8</sup>  |
| EK         | N  | N                      | Y                        | N <sup>6</sup>  |
| EL         | N  | N                      | N                        | N   |
| EM         | N  | N                      | N                        | N   |
| EN         | N  | N                      | Y                        | N   |
| SA         | N  | N                      | Y                        | A   |
| SB         | N  | Y                      | Y                        | B   |
| SD         | N  | Y                      | Y                        | B   |
| SE         | N  | N                      | Y                        | B   |

**TABLE 804-2 SURCHARGE MATRIX (CONTINUED)****Notes:**

<sup>1</sup> SAAC will compute CAS (unless statutory waiver of contact administration has been made) if price code is "N" and reimbursement code is other than "N." See paragraphs 080402.E. and 080402.Q.

<sup>2</sup> PC&H does not apply to stockfund/Defense Business Operations Fund items with ship-dates from October 1, 1990.

<sup>3</sup> Included in actual or estimated actual repair cost.

<sup>4</sup> Computed standard PCH unless RIC begins with "G" then compute at rate provided by GSA.

<sup>5</sup> Administrative costs will be computed unless administrative costs have been waived pursuant to statute.

<sup>6</sup> The Inland CONUS transportation charge of 3.75% does not apply to stock fund/Defense Business Operations Fund shipments with shipping dates subsequent to October 1, 1990. Computation for generic codes L1D and L1E for stock fund/Defense Business Operations Fund items was discontinued on items with shipping dates from October 1, 1991.

<sup>7</sup> In this column, A refers to Tables 804-3A and 804-4A; B refers to Tables 804-3B and 804-4B. Transportation for inventory items furnished from Defense Business Operations Funds to freight forwarders or Canada (except Newfoundland and Labrador) is included in the Defense Business Operations Fund price. Shipments beyond that point are computed according to Table 804-3A and Table 804-4A. Costs for items that are not furnished from Defense Business Operations Funds are computed according to Table 804-3B and Table 804-4B.

<sup>8</sup> Transportation costs are computed using the transportation bill code in position 59 of the transaction. However, if this position is blank, transportation costs are computed using the delivery term code (position 34).

<sup>9</sup> For DSC "EF" and "EG" when transportation is by GSA (RIC equals "G") and the TBC is not blank or where the TBC is blank and the DTC is other than "4", the CONUS transportation add-on (generic codes L1A, L1D, and L1E) is not computed. GSA includes CONUS transportation in the price of the item.

**TABLE 804-3A TRANSPORTATION CHARGES BASED ON DELIVERY TERM CODES  
FOR INVENTORY ITEMS SHIPPED BY DEFENSE BUSINESS OPERATIONS FUNDS**

(Position 34 of the delivery transaction)

If the report does not contain a transportation bill code, SAAC will compute transportation for cases with transportation recorded in Block 11 of the LOA as follows:

If delivery term code, 5th  
position of document no.,  
is equal to: \_\_\_\_\_

Computation<sup>1,2</sup>

|   |   |
|---|---|
| 2 | CONUS/Canada (except Newfoundland and Labrador) at 0.00%.   |
| 3 | CONUS/Canada (except Newfoundland and Labrador) at 0.00% for all countries.   |
| 4 |   |
| 5 | CONUS/Canada (except Newfoundland and Labrador) at 0.00% for all countries.   |
| 6 | L2B at 2.50% for all countries.<br>L1B at 6% for rate area 2 and 4% for rate area 1.                                      |
| 7 | L2B at 2.50%, and L2C at 1% for all countries.<br>L1B at 6% for rate area 2 and 4% for rate area 1, L1F at 3% (Overseas). |
| 8 | L2B at 2.50% for all countries.   |
| 9 | L2B at 2.50%, and L2C at 1% for all countries.<br>L1B at 6% for rate area 2 and 4% for rate area 1.                       |
| 0 | No Computation performed.   |

**Alpha Codes**

Transportation charges are to be included as part of overhaul charges (see section 070802.F. for method of computation).

**NOTES:**

<sup>1</sup> Above rates are applied in full up to a unit cost of \$10,000. For that portion of the unit cost in excess of \$10,000, 25 percent of the rate is applied.

<sup>2</sup> The 3.75 percent Inland Transportation charge does not apply to inventory items shipped by the Defense Business Operations Funds or Stock Funds October 1, 1990, and subsequent.

**TABLE 804-3B TRANSPORTATION CHARGES BASED ON DELIVERY TERM CODES  
FOR INVENTORY ITEMS NOT SHIPPED BY DEFENSE BUSINESS OPERATIONS FUNDS**

(Position 34 of the delivery transaction)

If the report does not contain a transportation bill code, SAAC will compute transportation for cases with transportation recorded in Block 11 of the LOA as follows:

If delivery term code, 5th  
position of document no.,  
is equal to: \_\_\_\_\_

Computation<sup>1</sup>

|   |   |
|---|---|
| 2 | L1A CONUS/Canada (except Newfoundland and Labrador) at 3.75%.   |
| 3 | L1A CONUS/Canada (except Newfoundland and Labrador) at 3.75% for all countries.   |
| 4 |   |
| 5 | L1A CONUS/Canada (except Newfoundland and Labrador) at 3.75% for all countries.   |
| 6 | L1A at 3.75% and L2B at 2.50% for all countries.<br>L1B at 6% for rate area 2 and 4% for rate area 1.   |
| 7 | L1A CONUS at 3.75%, L2B at 2.50%, and L2C at 1% for all countries.<br>L1B at 6% for rate area 2 and 4% for rate area 1, L1F at 3% (Overseas). |
| 8 | L1A CONUS at 3.75% and L2B at 2.50% for all countries.  |
| 9 | L1A at 3.75%, L2B at 2.50%, and L2C at 1% for all countries.<br>L1B at 6% for rate area 2 and 4% for rate area 1.                             |
| 0 | No Computation performed.   |

Alpha Codes

Transportation charges are to be included as part of overhaul charges (see section 070802.F. for method of computation).

**NOTES:**

<sup>1</sup> Above rates are applied in full up to a unit cost of \$10,000. For that portion of the unit cost in excess of \$10,000, 25 percent of the rate is applied.

**TABLE 804-4A TRANSPORTATION CHARGES BASED ON TRANSPORTATION BILL CODES  
FOR INVENTORY ITEMS SHIPPED BY DEFENSE BUSINESS OPERATIONS FUNDS**

(position 59 of the delivery transaction)

| <u>Transportation<br/>Bill Code</u> | <u>Transportation<br/>Generic Code</u> | <u>Percentage of Item<br/>Priced by Generic Code</u> | <u>Total<br/>Percentage</u>             |
|-------------------------------------|--|--|---|
| A                                   | L1D Parcel Post                        | 0.0 <sup>2,3</sup>                                   | 0.0                                     |
| B                                   | L1E Commercial<br>Package Carriers     | 0.0 <sup>2,3</sup>                                   | 0.0                                     |
| C                                   | L1A CONUS                              | 0.0 <sup>3</sup>                                     |   |
|                                     | L2B Port Loading                       | 2.5  |   |
|                                     | L1B/L1C Ocean/Air                      | 4.0/6.0 <sup>1</sup>                                 |   |
|                                     | L2C Port Unloading                     | 1.0  | 7.5/9.5                                 |
| D                                   | N/A                                    | 0.0  | 0.0                                     |
| E                                   | CONUS                                  | 0.0 <sup>3</sup>                                     | 0.0                                     |
| F                                   | CONUS                                  | 0.0 <sup>3</sup>                                     |   |
|                                     | L2B                                    | 2.5  |   |
|                                     | L1B/L1C                                | 4.0/6.0 <sup>1</sup>                                 | 6.5/8.5                                 |
| G                                   | CONUS                                  | 0.0 <sup>3</sup>                                     |   |
|                                     | L2B                                    | 2.5  |   |
|                                     | L1B/L1C                                | 4.0/6.0 <sup>1</sup>                                 |   |
|                                     | L2C                                    | 1.0  |   |
|                                     | L1F OSEAS                              | 3.0  | 10.5/12.5                               |
| H                                   | CONUS                                  | 0.0 <sup>3</sup>                                     |   |
|                                     | L2B                                    | 2.5  | 2.5                                     |
| J                                   | L2B                                    | 2.5  |   |
|                                     | L1C                                    | 4.0/6.0 <sup>1</sup>                                 |   |
|                                     | L2C                                    | 1.0  | 7.5/9.5                                 |
| K                                   | L1C                                    | N/A  | Actual amount<br>billed by AMC          |
| L                                   | As applicable                          | N/A  | Actual amount<br>computed by<br>shipper |
| M                                   | L40 Staging                            | 3.0 <sup>2</sup>                                     | 3.0                                     |

TABLE 804-4A (CONTINUED)

| <u>Transportation<br/>Bill Code</u> | <u>Transportation<br/>Generic Code</u> | <u>Percentage of Item<br/>Priced by Generic Code</u> | <u>Total<br/>Percentage</u>          |
|-------------------------------------|--|--|--------------------------------------|
| N                                   | CONUS                                  | 0.0 <sup>3</sup>                                     | 3.0                                  |
|                                     | L40 Staging                            | 3.0 <sup>2</sup>                                     |                                      |
| P                                   | CONUS                                  | 0.0 <sup>3</sup>                                     | 6.75                                 |
|                                     | L40 Staging                            | 3.0 <sup>2</sup>                                     |                                      |
|                                     | L1A CONUS                              | 3.75 <sup>3</sup>                                    |                                      |
| Q                                   | CONUS                                  | 0.0 <sup>3</sup>                                     | 13.25/15.25                          |
|                                     | L40 Staging                            | 3.0 <sup>2</sup>                                     |                                      |
|                                     | L1A CONUS                              | 3.75 <sup>3</sup>                                    |                                      |
|                                     | L2B                                    | 2.5  |                                      |
|                                     | L1B/L1C                                | 4.0/6.0 <sup>1</sup>                                 |                                      |
| R                                   | CONUS                                  | 0.0 <sup>3</sup>                                     | 17.25/19.25                          |
|                                     | L40 Staging                            | 3.0 <sup>2</sup>                                     |                                      |
|                                     | L1A CONUS                              | 3.75 <sup>3</sup>                                    |                                      |
|                                     | L2B                                    | 2.5  |                                      |
|                                     | L1B/L1C                                | 4.0/6.0 <sup>1</sup>                                 |                                      |
|                                     | L2C                                    | 1.0  |                                      |
|                                     | L1F OSEAS                              | 3.0  |                                      |
| S                                   | CONUS                                  | 0.0 <sup>3</sup>                                     | 9.25                                 |
|                                     | L40 Staging                            | 3.0 <sup>2</sup>                                     |                                      |
|                                     | L1A CONUS                              | 3.75 <sup>3</sup>                                    |                                      |
|                                     | L2B                                    | 2.5  |                                      |
| U                                   | L1D                                    | 0.0 <sup>2,3</sup>                                   | 2.5                                  |
|                                     | L2B                                    | 2.5  |                                      |
| V                                   | L1D                                    | 0.0 <sup>2,3</sup>                                   | 7.5/9.5                              |
|                                     | L2B                                    | 2.5  |                                      |
|                                     | L1B/L1C                                | 4.0/6.0 <sup>1</sup>                                 |                                      |
|                                     | L2C                                    | 1.0  |                                      |
| W                                   | L1O                                    | N/A  | Transportation<br>Cost Look-Up Table |
| X                                   | L1D                                    | 0.0 <sup>2,3</sup>                                   | 6.5/8.5                              |
|                                     | L2B                                    | 2.5  |                                      |
|                                     | L1B/L1C                                | 4.0/6.0 <sup>1</sup>                                 |                                      |

TABLE 804-4A (CONTINUED)

|   |           |                      |           |
|---|-----------|----------------------|-----------|
| Y | L1D       | 0.0 <sup>2,3</sup>   |           |
|   | L2B       | 2.5                  |           |
|   | L1B/L1C   | 4.0/6.0 <sup>1</sup> |           |
|   | L2C       | 1.0                  |           |
|   | L1F OSEAS | 3.0                  | 10.5/12.5 |

<sup>1</sup> Ocean or air transportation is computed at 4.0% or 6.0% depending on the delivery rate area prescribed by Chapter 7. Wherever "L1B/L1C" appears, L1C is computed if the POE code is "A;" otherwise L1B is computed.

<sup>2</sup> The costs of L1D parcel post, L1E Commercial Package Carriers, and L40 Staging are included in the Defense Business Operations Fund item price.

<sup>3</sup> The 3.75 percent Inland Transportation (L1A) charge does not apply to inventory items shipped from Defense Business Operations Funds or Stock Funds October 1, 1990 and subsequent. Application of L1D and L1E was discontinued October 1, 1991.



**TABLE 804-4B TRANSPORTATION CHARGES BASED ON TRANSPORTATION BILL CODES  
FOR INVENTORY ITEMS NOT SHIPPED BY DEFENSE BUSINESS OPERATIONS FUNDS**

(position 59 of the delivery transaction)

| <u>Transportation<br/>Bill Code</u> | <u>Transportation<br/>Generic Code</u>                                   | <u>Percentage of Item<br/>Priced by Generic Code</u>           | <u>Total<br/>Percentage</u>          |
|-------------------------------------|--|--|--------------------------------------|
| A                                   | L1D Parcel Post  | 3.75 <sup>2</sup>  | 3.75                                 |
| B                                   | L1E Commercial<br>Package Carriers                                       | 3.75 <sup>2</sup>  | 3.75                                 |
| C                                   | L1A CONUS<br>L2B Port Loading<br>L1B/L1C Ocean/Air<br>L2C Port Unloading | 3.75 <sup>3</sup><br>2.5<br>4.0/6.0 <sup>1</sup><br>1.0        | 11.25/13.25                          |
| D                                   | N/A  | 0.0  | 0.0                                  |
| E                                   | L1A CONUS  | 3.75 <sup>3</sup>  | 3.75                                 |
| F                                   | L1A CONUS<br>L2B<br>L1B/L1C  | 3.75 <sup>3</sup><br>2.5<br>4.0/6.0 <sup>1</sup>               | 10.25/12.25                          |
| G                                   | L1A CONUS<br>L2B<br>L1B/L1C<br>L2C<br>L1F OSEAS                          | 3.75 <sup>3</sup><br>2.5<br>4.0/6.0 <sup>1</sup><br>1.0<br>3.0 | 14.25/16.25                          |
| H                                   | L1A CONUS<br>L2B   | 3.75 <sup>3</sup><br>2.5                                       | 6.25                                 |
| J                                   | L2B<br>L1C<br>L2C  | 2.5<br>4.0/6.0 <sup>1</sup><br>1.0                             | 7.5/9.5                              |
| K                                   | L1C  | N/A  | Actual amount (billed by AMC)        |
| L                                   | As applicable  | N/A  | Actual amount computed<br>by shipper |
| M                                   | L40 Staging  | 3.0 <sup>2</sup>   | 3.0                                  |
| N                                   | L1A CONUS<br>L40 Staging   | 3.75 <sup>3</sup><br>3.0 <sup>2</sup>                          | 6.75                                 |
| P                                   | L1A CONUS<br>L40 Staging<br>L1A CONUS                                    | 3.75 <sup>3</sup><br>3.0 <sup>2</sup><br>3.75 <sup>3</sup>     | 10.50                                |

**TABLE 804-4B (CONTINUED)**

| <u>Transportation<br/>Bill Code</u> | <u>Transportation<br/>Generic Code</u> | <u>Percentage of Item<br/>Priced by Generic Code</u> | <u>Total<br/>Percentage</u>          |
|-------------------------------------|--|--|--------------------------------------|
| Q                                   | L1A CONUS                              | 3.75 <sup>3</sup>                                    | 17.0/19.0                            |
|                                     | L40 Staging                            | 3.0 <sup>2</sup>                                     |                                      |
|                                     | L1A CONUS                              | 3.75 <sup>3</sup>                                    |                                      |
|                                     | L2B                                    | 2.5  |                                      |
|                                     | L1B/L1C                                | 4.0/6.0 <sup>1</sup>                                 |                                      |
| R                                   | L1A CONUS                              | 3.75 <sup>3</sup>                                    | 21.0/23.0                            |
|                                     | L40 Staging                            | 3.0 <sup>2</sup>                                     |                                      |
|                                     | L1A CONUS                              | 3.75 <sup>3</sup>                                    |                                      |
|                                     | L2B                                    | 2.5  |                                      |
|                                     | L1B/L1C                                | 4.0/6.0 <sup>1</sup>                                 |                                      |
|                                     | L2C                                    | 1.0  |                                      |
|                                     | L1F OSEAS                              | 3.0  |                                      |
| S                                   | L1A CONUS                              | 3.75 <sup>3</sup>                                    | 13.0                                 |
|                                     | L40 Staging                            | 3.0 <sup>2</sup>                                     |                                      |
|                                     | L1A CONUS                              | 3.75 <sup>3</sup>                                    |                                      |
|                                     | L2B                                    | 2.5  |                                      |
| U                                   | L1D                                    | 3.75 <sup>2</sup>                                    | 6.25                                 |
|                                     | L2B                                    | 2.5  |                                      |
| V                                   | L1D                                    | 3.75 <sup>2</sup>                                    | 11.25/13.25                          |
|                                     | L2B                                    | 2.5  |                                      |
|                                     | L1B/L1C                                | 4.0/6.0 <sup>1</sup>                                 |                                      |
|                                     | L2C                                    | 1.0  |                                      |
| W                                   | L1O                                    | N/A  | Transportation<br>Cost Look-Up Table |
| X                                   | L1D                                    | 3.75 <sup>2</sup>                                    | 10.25/12.25                          |
|                                     | L2B                                    | 2.5  |                                      |
|                                     | L1B/L1C                                | 4.0/6.0 <sup>1</sup>                                 |                                      |
| Y                                   | L1D                                    | 3.75 <sup>2</sup>                                    | 14.25/16.25                          |
|                                     | L2B                                    | 2.5  |                                      |
|                                     | L1B/L1C                                | 4.0/6.0 <sup>1</sup>                                 |                                      |
|                                     | L2C                                    | 1.0  |                                      |
|                                     | L1F OSEAS                              | 3.0  |                                      |
| Z                                   | L1A                                    | 3.75   | (Charge may not<br>exceed \$25.00)   |

<sup>1</sup> Ocean or air transportation is computed at 4.0% or 6.0% depending on the delivery rate area prescribed by Chapter 7. Wherever "L1B/L1C" appears, L1C is computed if the POE code is "A;" otherwise L1B is computed.

<sup>2</sup> Amounts collected for L1D parcel post, L1E Commercial Package Carriers, and L40 Staging shall be reimbursed to shipping depot shown in positions 4-6 of the delivery transaction. SF Form 1080 billings for actual costs are not required.

**TABLE 804-5 DELIVERY TRANSACTION EXAMPLE CIVILIAN PERSONNEL SERVICES**  
**100 HOURS OF CIVILIAN EFFORT (GS-12)**  
**AT NAVY INSTALLATION IN JANUARY 1989**

|                          |         |                          |
|--------------------------|---------|--------------------------|
| TRANSACTION CODE         | (1)     | N                        |
| TRANSACTION CODE         | (2)     | BLANK                    |
| MONITOR                  | (3)     | V                        |
| SHIPPING DEPOT           | (4-6)   | N21                      |
| PRICE CODE               | (7)     | A                        |
| STOCK/PART NO.           | (8-22)  | SERVICE00000000          |
| UNIT OF ISSUE            | (23-24) | XX                       |
| QUANTITY SHIPPED         | (25-29) | 00000                    |
| DOCUMENT NO.             | (30-43) | PBDQ2045200018           |
| SUFFIX CODE              | (44)    | BLANK                    |
| SUPPLEMENTAL ADDRESS     | (45-50) | PA2ARK                   |
| MODE OF SHIPMENT         | (51)    | BLANK                    |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                    |
| PROGRAM YEAR             | (54)    | 4                        |
| DELIVERY SOURCE CODE     | (55-56) | BD <sup>1</sup>          |
| PORT OF EMBARKATION      | (57)    | BLANK                    |
| REIMBURSABLE CODE        | (58)    | S <sup>2</sup>           |
| TRANSPORTATION BILL CODE | (59)    | BLANK                    |
| STOCK FUND/NONSTOCK FUND | (60)    | BLANK                    |
| DATE (JULIAN) PERFORMED  | (61-64) | 2031                     |
| EXTENDED VALUE           | (65-73) | 0002,875.80 <sup>3</sup> |
| RSN                      | (74-76) | A01                      |
| FUND CODE                | (77-79) | L48                      |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                    |

<sup>1</sup> SEE TABLE 804-2 FOR THE DELIVERY SOURCE CODE TO VERIFY THAT THE SURCHARGES WHICH WILL BE ADDED BY SAAC ARE APPROPRIATE FOR THIS REPORT.

<sup>2</sup> REIMBURSEMENT CODES MAY BE D, R, OR S. SEE TABLE 702-1 FOR DISTRIBUTION OF FUNDS.

<sup>3</sup> COMMA AND DECIMAL POINT ADDED HERE FOR CLARITY ARE NOT INCLUDED IN DELIVERY TRANSACTIONS. SEE TABLE 702-1 FOR COMPUTATION OF EXTENDED VALUE.

**TABLE 804-6 DELIVERY TRANSACTION EXAMPLE NONEXCESS DEFENSE BUSINESS  
OPERATIONS FUND/ REPAIR PART FROM STOCK TO CLSSA CUSTOMER IN  
FY 1985**

|                          |         |                         |
|--------------------------|---------|-------------------------|
| TRANSACTION CODE         | (1)     | N                       |
| TRANSACTION CODE         | (2)     | BLANK                   |
| MONITOR                  | (3)     | V                       |
| SHIPPING DEPOT           | (4-6)   | N35                     |
| PRICE CODE               | (7)     | A                       |
| STOCK/PART NO.           | (8-22)  | 492100042443500         |
| UNIT OF ISSUE            | (23-24) | EA                      |
| QUANTITY SHIPPED         | (25-29) | 00001                   |
| DOCUMENT NO.             | (30-43) | PBDJ4V42880002          |
| SUFFIX CODE              | (44)    | BLANK                   |
| SUPPLEMENTAL ADDRESS     | (45-50) | PA2KBM                  |
| MODE OF SHIPMENT         | (51)    | 5                       |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                   |
| PROGRAM YEAR             | (54)    | 5                       |
| DELIVERY SOURCE CODE     | (55-56) | AA <sup>1</sup>         |
| PORT OF EMBARKATION      | (57)    | BLANK                   |
| REIMBURSABLE CODE        | (58)    | S <sup>2</sup>          |
| TRANSPORTATION BILL CODE | (59)    | B                       |
| STOCK FUND/NONSTOCK FUND | (60)    | 2                       |
| DATE (JULIAN) PERFORMED  | (61-64) | 5010                    |
| EXTENDED VALUE           | (65-73) | 0000500.00 <sup>3</sup> |
| RSN                      | (74-76) | 001                     |
| FUND CODE                | (77-79) | 000                     |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                   |

<sup>1</sup> SEE TABLE 804-2 FOR THE DELIVERY SOURCE CODE TO VERIFY THAT THE SURCHARGES THAT WILL BE ADDED BY SAAC ARE APPROPRIATE FOR THIS REPORT.

<sup>2</sup> REIMBURSEMENT CODES FOR SALES FROM STOCK MAY BE D, I, R, OR S. SAAC APPLIES THE "I" WHEN ORIGINATING DELIVERY TRANSACTIONS FROM INTERFUND DETAIL TRANSACTIONS. SEE TABLE 703-1 FOR DISTRIBUTION OF FUNDS.

<sup>3</sup> DECIMAL POINT ADDED FOR CLARITY IS NOT INCLUDED IN DELIVERY TRANSACTIONS. SEE TABLE 703-1 FOR COMPUTATION OF EXTENDED VALUE.

**TABLE 804-7 DELIVERY TRANSACTION EXAMPLE NONEXCESS PRINCIPAL OR MAJOR  
ITEM FROM STOCK NOT TO BE REPLACED**

|                          |         |                          |
|--------------------------|---------|--------------------------|
| TRANSACTION CODE         | (1)     | N                        |
| TRANSACTION CODE         | (2)     | BLANK                    |
| MONITOR                  | (3)     | N                        |
| SHIPPING DEPOT           | (4-6)   | FNZ                      |
| PRICE CODE               | (7)     | A <sup>1</sup>           |
| STOCK/PART NO.           | (8-22)  | F4E660312000000          |
| UNIT OF ISSUE            | (23-24) | EA                       |
| QUANTITY SHIPPED         | (25-29) | 00001                    |
| DOCUMENT NO.             | (30-43) | DBD00251950057           |
| SUFFIX CODE              | (44)    | BLANK                    |
| SUPPLEMENTAL ADDRESS     | (45-50) | DOOSKA                   |
| MODE OF SHIPMENT         | (51)    | BLANK                    |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                    |
| PROGRAM YEAR             | (54)    | BLANK                    |
| DELIVERY SOURCE CODE     | (55-56) | AG <sup>2</sup>          |
| PORT OF EMBARKATION      | (57)    | BLANK                    |
| REIMBURSABLE CODE        | (58)    | S <sup>3</sup>           |
| TRANSPORTATION BILL CODE | (59)    | L <sup>4</sup>           |
| STOCK FUND/NONSTOCK FUND | (60)    | BLANK                    |
| DATE (JULIAN) PERFORMED  | (61-64) | 5195                     |
| EXTENDED VALUE           | (65-73) | 0029,000.00 <sup>5</sup> |
| RSN                      | (74-76) | SKB                      |
| FUND CODE                | (77-79) | WPN                      |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                    |

<sup>1</sup> SEE PARAGRAPH 70303.A.2.

<sup>2</sup> SEE TABLE 804-2 FOR THE DELIVERY SOURCE CODE TO VERIFY THAT THE SURCHARGES THAT WILL BE ADDED BY SAAC ARE APPROPRIATE FOR THIS REPORT.

<sup>3</sup> REIMBURSEMENT CODE MAY BE R OR S. SEE TABLE 703-2 FOR DISTRIBUTION OF FUNDS.

<sup>4</sup> SEE TABLE 804-16 FOR AN EXAMPLE OF REPORTING ACTUAL TRANSPORTATION.

<sup>5</sup> COMMA AND DECIMAL POINT ADDED HERE FOR CLARITY ARE NOT INCLUDED IN DELIVERY TRANSACTIONS. SEE TABLE 703-2 FOR COMPUTATION OF EXTENDED VALUE.

**TABLE 804-8 DELIVERY TRANSACTION EXAMPLE NONEXCESS PROCUREMENT FUNDED  
ITEM FROM INVENTORY TO BE REPLACED**

|                          |         |                          |
|--------------------------|---------|--------------------------|
| TRANSACTION CODE         | (1)     | N                        |
| TRANSACTION CODE         | (2)     | BLANK                    |
| MONITOR                  | (3)     | P                        |
| SHIPPING DEPOT           | (4-6)   | FPZ                      |
| PRICE CODE               | (7)     | A <sup>4</sup>           |
| STOCK/PART NO.           | (8-22)  | 173000114030400          |
| UNIT OF ISSUE            | (23-24) | EA                       |
| QUANTITY SHIPPED         | (25-29) | 00001                    |
| DOCUMENT NO.             | (30-43) | DBDB4Z43525001           |
| SUFFIX CODE              | (44)    | BLANK                    |
| SUPPLEMENTAL ADDRESS     | (45-50) | DA2SKA                   |
| MODE OF SHIPMENT         | (51)    | Q                        |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                    |
| PROGRAM YEAR             | (54)    | 5                        |
| DELIVERY SOURCE CODE     | (55-56) | AE <sup>1</sup>          |
| PORT OF EMBARKATION      | (57)    | A                        |
| REIMBURSABLE CODE        | (58)    | S <sup>2</sup>           |
| TRANSPORTATION BILL CODE | (59)    | D                        |
| STOCK FUND/NONSTOCK FUND | (60)    | BLANK                    |
| DATE(JULIAN) PERFORMED   | (61-64) | 4362                     |
| EXTENDED VALUE           | (65-73) | 0051,000.00 <sup>3</sup> |
| RSN                      | (74-76) | SKD                      |
| FUND CODE                | (77-79) | 3LT                      |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                    |

<sup>1</sup> SEE TABLE 804-2 FOR THE DELIVERY SOURCE CODE TO VERIFY THAT THE SURCHARGES THAT WILL BE ADDED BY SAAC ARE APPROPRIATE FOR THIS REPORT.

<sup>2</sup> REIMBURSEMENT CODE MAY BE R OR S. SEE TABLE 703-3 FOR DISTRIBUTION OF FUNDS.

<sup>3</sup> COMMA AND DECIMAL POINT ADDED FOR CLARITY ARE NOT INCLUDED IN DELIVERY TRANSACTIONS. SEE TABLE 703-3 FOR COMPUTATION OF EXTENDED VALUE.

<sup>4</sup> SEE PARAGRAPHS 070302.C.2. AND 070303.A.1.

**TABLE 804-9 DELIVERY TRANSACTION EXAMPLE SALE OF AN EXCESS SHIP\***

|                          |         |                           |
|--------------------------|---------|---------------------------|
| TRANSACTION CODE         | (1)     | N                         |
| TRANSACTION CODE         | (2)     | BLANK                     |
| MONITOR                  | (3)     | V                         |
| SHIPPING DEPOT           | (4-6)   | N23                       |
| PRICE CODE               | (7)     | A                         |
| STOCK/PART NO.           | (8-22)  | EXOUSSOMCKEANOO           |
| UNIT OF ISSUE            | (23-24) | EA                        |
| QUANTITY SHIPPED         | (25-29) | 00001                     |
| DOCUMENT NO.             | (30-43) | PBDO4Z40595001            |
| SUFFIX CODE              | (44)    | BLANK                     |
| SUPPLEMENTAL ADDRESS     | (45-50) | PXWSCC                    |
| MODE OF SHIPMENT         | (51)    | 9                         |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                     |
| PROGRAM YEAR             | (54)    | 5                         |
| DELIVERY SOURCE CODE     | (55-56) | AK <sup>1</sup>           |
| PORT OF EMBARKATION      | (57)    | BLANK                     |
| REIMBURSABLE CODE        | (58)    | S <sup>2</sup>            |
| TRANSPORTATION BILL CODE | (59)    | D                         |
| STOCK FUND/NONSTOCK FUND | (60)    | BLANK                     |
| DATE (JULIAN) PERFORMED  | (61-64) | 4282                      |
| EXTENDED VALUE           | (65-73) | 3,800,000.00 <sup>3</sup> |
| RSN                      | (74-76) | GO1                       |
| FUND CODE                | (77-79) | BLANK                     |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                     |

<sup>1</sup> SEE TABLE 804-2 FOR THE DELIVERY SOURCE CODE TO VERIFY THAT THE SURCHARGES THAT WILL BE ADDED BY SAAC ARE APPROPRIATE FOR THIS REPORT.

<sup>2</sup> REIMBURSEMENT CODES MAY BE R OR S. SEE TABLE 703-8 FOR DISTRIBUTION OF FUNDS.

<sup>3</sup> COMMA AND DECIMAL POINT ADDED FOR CLARITY ARE NOT INCLUDED IN DELIVERY TRANSACTIONS. SEE TABLE 703-8 FOR COMPUTATION OF EXTENDED VALUE.

\* THIS EXCESS TRANSACTION IS REPRESENTATIVE OF OTHER CATEGORIES OF ITEMS SOLD AS EXCESS.

**TABLE 804-10 (a) DELIVERY TRANSACTION EXAMPLE "DELIVERY" FROM  
NEW PROCUREMENT  
(ESTIMATED PRICE - DEBIT)**

|                          |         |                             |
|--------------------------|---------|-----------------------------|
| TRANSACTION CODE         | (1)     | N                           |
| TRANSACTION CODE         | (2)     | BLANK                       |
| MONITOR                  | (3)     | L                           |
| SHIPPING DEPOT           | (4-6)   | FLZ                         |
| PRICE CODE               | (7)     | E                           |
| STOCK/PART NO.           | (8-22)  | 702501068109600             |
| UNIT OF ISSUE            | (23-24) | EA                          |
| QUANTITY SHIPPED         | (25-29) | 00020                       |
| DOCUMENT NO.             | (30-43) | DBDC4Z1705060               |
| SUFFIX CODE              | (44)    | BLANK                       |
| SUPPLEMENTAL ADDRESS     | (45-50) | DA2SKA                      |
| MODE OF SHIPMENT         | (51)    | 9                           |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                       |
| PROGRAM YEAR             | (54)    | BLANK                       |
| DELIVERY SOURCE CODE     | (55-56) | DD <sup>1</sup>             |
| PORT OF EMBARKATION      | (57)    | BLANK                       |
| REIMBURSABLE CODE        | (58)    | N <sup>3</sup>              |
| TRANSPORTATION BILL CODE | (59)    | D                           |
| STOCK FUND/NONSTOCK FUND | (60)    | BLANK                       |
| DATE (JULIAN) PERFORMED  | (61-64) | 4339                        |
| EXTENDED VALUE           | (65-73) | 1,091,813.00 <sup>2,4</sup> |
| RSN                      | (74-76) | SKD                         |
| FUND CODE                | (77-79) | 4FT                         |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                       |

<sup>1</sup> SEE TABLE 804-2 FOR THE DELIVERY SOURCE CODE TO VERIFY THAT THE SURCHARGES THAT WILL BE ADDED BY SAAC ARE APPROPRIATE FOR THIS REPORT.

<sup>2</sup> COMMA AND DECIMAL POINT ADDED FOR CLARITY ARE NOT INCLUDED IN DELIVERY TRANSACTIONS. SEE TABLE 704-1 FOR COMPUTATION OF EXTENDED VALUE.

<sup>3</sup> THIS IS A NON-CASH TRANSACTION WHICH LIQUIDATES PREVIOUSLY REPORTED PROGRESS PAYMENTS. SEE TABLES 804-11 THROUGH 804-14.

<sup>4</sup> EXTENDED VALUE MUST INCLUDE CONTRACT ADMINISTRATIVE SERVICES SURCHARGE, WHICH HAS BEEN APPLIED BY SAAC. SEE PARAGRAPH 080404.A. IN THE ABSENCE OF BETTER ESTIMATES, USE THE VALUE FROM THE LOA FOR THIS DELIVERY AT ESTIMATED VALUE.



**TABLE 804-10 (b) DELIVERY TRANSACTION EXAMPLE "DELIVERY" FROM  
NEW PROCUREMENT  
(ESTIMATED PRICE - CREDIT)**

|                          |         |   |
|--------------------------|---------|---|
| TRANSACTION CODE         | (1)     | N   |
| TRANSACTION CODE         | (2)     | BLANK   |
| MONITOR                  | (3)     | L   |
| SHIPPING DEPOT           | (4-6)   | FLZ   |
| PRICE CODE               | (7)     | E   |
| STOCK/PART NO.           | (8-22)  | 702501068109600   |
| UNIT OF ISSUE            | (23-24) | EA  |
| QUANTITY SHIPPED         | (25-29) | 00020 (POSITION<br>29"X"OVERPUNCH) <sup>5</sup>                       |
| DOCUMENT NO.             | (30-43) | DBDC4Z1705060   |
| SUFFIX CODE              | (44)    | BLANK   |
| SUPPLEMENTAL ADDRESS     | (45-50) | DA2SKA  |
| MODE OF SHIPMENT         | (51)    | 9   |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK   |
| PROGRAM YEAR             | (54)    | BLANK   |
| DELIVERY SOURCE CODE     | (55-56) | DD <sup>1</sup>   |
| PORT OF EMBARKATION      | (57)    | BLANK   |
| REIMBURSABLE CODE        | (58)    | N <sup>3</sup>  |
| TRANSPORTATION BILL CODE | (59)    | D   |
| STOCK FUND/NONSTOCK FUND | (60)    | BLANK   |
| DATE (JULIAN) PERFORMED  | (61-64) | 4339  |
| EXTENDED VALUE           | (65-73) | 1,091,813.00 <sup>2,4</sup><br>(POS. 73 "X" - OVERPUNCH) <sup>5</sup> |
| RSN                      | (74-76) | SKD   |
| FUND CODE                | (77-79) | 4FT   |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK   |

<sup>1</sup> SEE TABLE 804-2 FOR THE DELIVERY SOURCE CODE TO VERIFY THAT THE SURCHARGES THAT WILL BE ADDED BY SAAC ARE APPROPRIATE FOR THIS REPORT.

<sup>2</sup> COMMA AND DECIMAL POINT ADDED FOR CLARITY ARE NOT INCLUDED IN DELIVERY TRANSACTIONS. SEE TABLE 704-1 FOR COMPUTATION OF EXTENDED VALUE.

<sup>3</sup> THIS IS A NON-CASH TRANSACTION WHICH LIQUIDATES PREVIOUSLY REPORTED PROGRESS PAYMENTS. SEE TABLES 804-11 THROUGH 804-14.

<sup>4</sup> EXTENDED VALUE MUST INCLUDE CONTRACT ADMINISTRATIVE SERVICES SURCHARGE, WHICH HAS BEEN APPLIED BY SAAC. SEE PARAGRAPH 080404.A.

<sup>5</sup> THIS IS THE "CREDIT" DELIVERY REPORT WHICH REVERSES THE PREVIOUSLY REPORTED DELIVERY, TABLE 804-10(A) AT AN ESTIMATED PRICE SO THAT THE ACTUAL PRICE MAY BE REPORTED AS IN TABLE 804-10(C). NOTE: WITH THE EXCEPTION OF THE "X" OVER PUNCHES THIS IS A "MIRROR IMAGE" OF THE DEBIT TRANSACTIONS, TABLE 804-10(A)

**TABLE 804-10 (c) DELIVERY TRANSACTION EXAMPLE "DELIVERY" FROM  
NEW PROCUREMENT  
ACTUAL PRICE**

|                          |         |                             |
|--------------------------|---------|-----------------------------|
| TRANSACTION CODE         | (1)     | N                           |
| TRANSACTION CODE         | (2)     | BLANK                       |
| MONITOR                  | (3)     | L                           |
| SHIPPING DEPOT           | (4-6)   | FLZ                         |
| PRICE CODE               | (7)     | A                           |
| STOCK/PART NO.           | (8-22)  | 702501068109600             |
| UNIT OF ISSUE            | (23-24) | EA                          |
| QUANTITY SHIPPED         | (25-29) | 00020                       |
| DOCUMENT NO.             | (30-43) | DBDC4Z1705060               |
| SUFFIX CODE              | (44)    | BLANK                       |
| SUPPLEMENTAL ADDRESS     | (45-50) | DA2SKA                      |
| MODE OF SHIPMENT         | (51)    | 9                           |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                       |
| PROGRAM YEAR             | (54)    | BLANK                       |
| DELIVERY SOURCE CODE     | (55-56) | DD <sup>1</sup>             |
| PORT OF EMBARKATION      | (57)    | BLANK                       |
| REIMBURSABLE CODE        | (58)    | N <sup>3</sup>              |
| TRANSPORTATION BILL CODE | (59)    | D                           |
| STOCK FUND/NONSTOCK FUND | (60)    | BLANK                       |
| DATE (JULIAN) PERFORMED  | (61-64) | 4339                        |
| EXTENDED VALUE           | (65-73) | 1,091,813.00 <sup>2,4</sup> |
| RSN                      | (74-76) | SKD                         |
| FUND CODE                | (77-79) | 4FT                         |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                       |

<sup>1</sup> SEE TABLE 804-2 FOR THE DELIVERY SOURCE CODE TO VERIFY THAT THE SURCHARGES THAT WILL BE ADDED BY SAAC ARE APPROPRIATE FOR THIS REPORT.

<sup>2</sup> COMMA AND DECIMAL POINT ADDED FOR CLARITY ARE NOT INCLUDED IN DELIVERY TRANSACTION. SEE TABLE 704-1 FOR COMPUTATION OF EXTENDED VALUE. IN THIS EXAMPLE, IT IS ASSUMED THAT THE FINAL ACTUAL AN ESTIMATED PRICE ARE THE SAME.

<sup>3</sup> THIS IS A NON-CASH TRANSACTION WHICH LIQUIDATES PREVIOUSLY REPORTED PROGRESS PAYMENTS. SEE TABLES 804-11 THROUGH 804-14.

<sup>4</sup> EXTENDED VALUE MUST INCLUDE CONTRACT ADMINISTRATIVE SERVICES SURCHARGE, WHICH HAS BEEN APPLIED BY SAAC. SEE PARAGRAPH 080404.A.

**TABLE 804-11 DELIVERY TRANSACTION EXAMPLE "PROGRESS PAYMENT"  
TO A CONTRACTOR**

|                          |         |                          |
|--------------------------|---------|--------------------------|
| TRANSACTION CODE         | (1)     | N                        |
| TRANSACTION CODE         | (2)     | BLANK                    |
| MONITOR                  | (3)     | L                        |
| SHIPPING DEPOT           | (4-6)   | FLZ                      |
| PRICE CODE               | (7)     | N <sup>1</sup>           |
| STOCK/PART NO.           | (8-22)  | PROGRESSPAYMENT          |
| UNIT OF ISSUE            | (23-24) | XX                       |
| QUANTITY SHIPPED         | (25-29) | 00000                    |
| DOCUMENT NO.             | (30-43) | DBDC4Z41705050           |
| SUFFIX CODE              | (44)    | BLANK                    |
| SUPPLEMENTAL ADDRESS     | (45-50) | DA2SKA                   |
| MODE OF SHIPMENT         | (51)    | BLANK                    |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                    |
| PROGRAM YEAR             | (54)    | 4                        |
| DELIVERY SOURCE CODE     | (55-56) | DE <sup>2</sup>          |
| PORT OF EMBARKATION      | (57)    | BLANK                    |
| REIMBURSABLE CODE        | (58)    | D                        |
| TRANSPORTATION BILL CODE | (59)    | BLANK                    |
| STOCK FUND/NONSTOCK FUND | (60)    | BLANK                    |
| DATE (JULIAN) PERFORMED  | (61-64) | 4200                     |
| EXTENDED VALUE           | (65-73) | 0040,000.00 <sup>3</sup> |
| RSN                      | (74-76) | SKD                      |
| FUND CODE                | (77-79) | BLANK                    |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                    |

<sup>1</sup> THIS CODE IDENTIFIES THIS AS A PAYMENT TO A CONTRACTOR FOR PURPOSES OF COMPUTING THE CONTRACT ADMINISTRATIVE SURCHARGE.

<sup>2</sup> SEE TABLE 804-2 FOR THE DELIVERY SOURCE CODE TO VERIFY THAT THE SURCHARGES THAT WILL BE ADDED BY SAAC ARE APPROPRIATE FOR THIS REPORT.

<sup>3</sup> COMMA AND DECIMAL POINT SHOWN FOR CLARITY ARE NOT INCLUDED IN DELIVERY TRANSACTIONS. THIS EXAMPLE REPRESENTS ONE OF A SERIES OF PAYMENTS THAT WOULD BE MADE TO A DEFENSE CONTRACTOR IN SUPPORT OF THE CONTRACT PRICED IN ACCORDANCE WITH TABLE 704-1. THE CUMULATIVE TOTAL OF THESE PAYMENTS SHOULD EQUAL CONTRACT VALUE. IN THIS EXAMPLE THAT AMOUNT IS \$1,000,000 AS SHOWN IN TABLE 704-1.

**TABLE 804-12 DELIVERY TRANSACTION EXAMPLE "PROGRESS PAYMENT"**  
**NONRECURRING COST**

|                          |         |                          |
|--------------------------|---------|--------------------------|
| TRANSACTION CODE         | (1)     | N                        |
| TRANSACTION CODE         | (2)     | BLANK                    |
| MONITOR                  | (3)     | L                        |
| SHIPPING DEPOT           | (4-6)   | FLZ                      |
| PRICE CODE               | (7)     | A                        |
| STOCK/PART NO.           | (8-22)  | NONRECURRINGOOO          |
| UNIT OF ISSUE            | (23-24) | XX                       |
| QUANTITY SHIPPED         | (25-29) | 00000                    |
| DOCUMENT NO.             | (30-43) | DBDC4Z41705070           |
| SUFFIX CODE              | (44)    | BLANK                    |
| SUPPLEMENTAL ADDRESS     | (45-50) | DA2SKA                   |
| MODE OF SHIPMENT         | (51)    | BLANK                    |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                    |
| PROGRAM YEAR             | (54)    | 5                        |
| DELIVERY SOURCE CODE     | (55-56) | DG <sup>1</sup>          |
| PORT OF EMBARKATION      | (57)    | BLANK                    |
| REIMBURSABLE CODE        | (58)    | R <sup>2</sup>           |
| TRANSPORTATION BILL CODE | (59)    | BLANK                    |
| STOCK FUND/NONSTOCK FUND | (60)    | BLANK                    |
| DATE (JULIAN) PERFORMED  | (61-64) | 4339                     |
| EXTENDED VALUE           | (65-73) | 0050,000.00 <sup>3</sup> |
| RSN                      | (74-76) | SKD                      |
| FUND CODE                | (77-79) | BLANK                    |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                    |

<sup>1</sup> SEE TABLE 804-2 FOR THE DELIVERY SOURCE CODE TO VERIFY THAT THE SURCHARGES THAT WILL BE ADDED BY SAAC ARE APPROPRIATE FOR THIS REPORT.

<sup>2</sup> REIMBURSEMENT CODES MAY BE R OR S. SEE TABLE 704-1 FOR DISTRIBUTION OF FUNDS. REIMBURSEMENT IS EARNED UPON PHYSICAL DELIVERY OF THE ITEMS PER PARAGRAPH 040201.B.3.

<sup>3</sup> COMMA AND DECIMAL POINT SHOWN FOR CLARITY ARE NOT INCLUDED IN THE DELIVERY TRANSACTIONS. AMOUNT BILLED MUST BE CONSISTENT WITH AMOUNT USED IN THE LOA.

**TABLE 804-13 DELIVERY TRANSACTION EXAMPLE "PROGRESS PAYMENT" GOVERNMENT-FURNISHED MATERIEL FROM STOCK**

|                          |         |                          |
|--------------------------|---------|--------------------------|
| TRANSACTION CODE         | (1)     | N                        |
| TRANSACTION CODE         | (2)     | BLANK                    |
| MONITOR                  | (3)     | L                        |
| SHIPPING DEPOT           | (4-6)   | FLZ                      |
| PRICE CODE               | (7)     | A                        |
| STOCK/PART NO.           | (8-22)  | GFM00000000000000        |
| UNIT OF ISSUE            | (23-24) | XX                       |
| QUANTITY SHIPPED         | (25-29) | BLANK                    |
| DOCUMENT NO.             | (30-43) | DBDC4Z41705080           |
| SUFFIX CODE              | (44)    | BLANK                    |
| SUPPLEMENTAL ADDRESS     | (45-50) | DA2SKA                   |
| MODE OF SHIPMENT         | (51)    | BLANK                    |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                    |
| PROGRAM YEAR             | (54)    | 4                        |
| DELIVERY SOURCE CODE     | (55-56) | DJ <sup>1</sup>          |
| PORT OF EMBARKATION      | (57)    | BLANK                    |
| REIMBURSABLE CODE        | (58)    | S <sup>2</sup>           |
| TRANSPORTATION BILL CODE | (59)    | BLANK                    |
| STOCK FUND/NONSTOCK FUND | (60)    | 8                        |
| DATE (JULIAN) PERFORMED  | (61-64) | 4150                     |
| EXTENDED VALUE           | (65-73) | 0025,000.00 <sup>3</sup> |
| RSN                      | (74-76) | SKD                      |
| FUND CODE                | (77-79) | 4FT                      |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                    |

<sup>1</sup> SEE TABLE 804-2 FOR THE DELIVERY SOURCE CODE TO VERIFY THAT THE SURCHARGES THAT WILL BE ADDED BY SAAC ARE APPROPRIATE FOR THIS REPORT. SEE ALSO PARAGRAPH 070407.

<sup>2</sup> REIMBURSEMENT CODES MAY BE D, I, R, OR S. SAAC APPLIES THE "I" WHEN ORIGINATING DELIVERY TRANSACTIONS FROM INTERFUND DETAIL TRANSACTIONS. SEE TABLE 704-1 FOR DISTRIBUTION OF FUNDS.

<sup>3</sup> COMMA AND DECIMAL POINT SHOWN FOR CLARITY ARE NOT INCLUDED IN THE TRANSACTION.

**TABLE 804-14 DELIVERY TRANSACTION EXAMPLE "PROGRESS PAYMENT" PCH&T**  
**APPLICABLE TO GFM**

|                          |         |                          |
|--------------------------|---------|--------------------------|
| TRANSACTION CODE         | (1)     | N                        |
| TRANSACTION CODE         | (2)     | BLANK                    |
| MONITOR                  | (3)     | L                        |
| SHIPPING DEPOT           | (4-6)   | FLZ                      |
| PRICE CODE               | (7)     | A                        |
| STOCK/PART NO.           | (8-22)  | GFMPCHTOOOOOOOO          |
| UNIT OF ISSUE            | (23-24) | XX                       |
| QUANTITY SHIPPED         | (25-29) | 00000                    |
| DOCUMENT NO.             | (30-43) | DBDC4Z41705090           |
| SUFFIX CODE              | (44)    | BLANK                    |
| SUPPLEMENTAL ADDRESS     | (45-50) | DA2SKA                   |
| MODE OF SHIPMENT         | (51)    | BLANK                    |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                    |
| PROGRAM YEAR             | (54)    | 5                        |
| DELIVERY SOURCE CODE     | (55-56) | DL <sup>1</sup>          |
| PORT OF EMBARKATION      | (57)    | BLANK                    |
| REIMBURSABLE CODE        | (58)    | R <sup>2</sup>           |
| TRANSPORTATION BILL CODE | (59)    | BLANK                    |
| STOCK FUND/NONSTOCK FUND | (60)    | BLANK                    |
| DATE (JULIAN) PERFORMED  | (61-64) | 4300                     |
| EXTENDED VALUE           | (65-73) | 0001,813.00 <sup>3</sup> |
| RSN                      | (74-76) | SKD                      |
| FUND CODE                | (77-79) | 4FT                      |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                    |

<sup>1</sup> SEE TABLE 804-2 FOR THE DELIVERY SOURCE CODE TO VERIFY THAT THE SURCHARGES THAT WILL BE ADDED BY SAAC ARE APPROPRIATE FOR THIS REPORT.

<sup>2</sup> REIMBURSEMENT CODES MAY BE R OR S. SEE TABLE 704-1 FOR DISTRIBUTION OF FUNDS.

<sup>3</sup> COMMA AND DECIMAL POINT SHOWN FOR CLARITY ARE NOT INCLUDED IN THE DELIVERY TRANSACTION.

**TABLE 804-15 DELIVERY TRANSACTION EXAMPLE OVERHAUL OF  
CUSTOMER-OWNED MATERIEL**

|                          |         |                          |
|--------------------------|---------|--------------------------|
| TRANSACTION CODE         | (1)     | N                        |
| TRANSACTION CODE         | (2)     | BLANK                    |
| MONITOR                  | (3)     | V                        |
| SHIPPING DEPOT           | (4-6)   | N21                      |
| PRICE CODE               | (7)     | A                        |
| STOCK/PART NO.           | (8-22)  | ENGINELVTOOOOOO          |
| UNIT OF ISSUE            | (23-24) | XX                       |
| QUANTITY SHIPPED         | (25-29) | 00001                    |
| DOCUMENT NO.             | (30-43) | PDBO4441485001           |
| SUFFIX CODE              | (44)    | BLANK                    |
| SUPPLEMENTAL ADDRESS     | (45-50) | DA2MAO                   |
| MODE OF SHIPMENT         | (51)    | A                        |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                    |
| PROGRAM YEAR             | (54)    | 5                        |
| DELIVERY SOURCE CODE     | (55-56) | BC <sup>1</sup>          |
| PORT OF EMBARKATION      | (57)    | BLANK                    |
| REIMBURSABLE CODE        | (58)    | S <sup>2</sup>           |
| TRANSPORTATION BILL CODE | (59)    | D                        |
| STOCK FUND/NONSTOCK FUND | (60)    | O                        |
| DATE (JULIAN) PERFORMED  | (61-64) | 5056                     |
| EXTENDED VALUE           | (65-73) | 0012,979.88 <sup>3</sup> |
| RSN                      | (74-76) | CO1                      |
| FUND CODE                | (77-79) | L48                      |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                    |

<sup>1</sup> SEE TABLE 804-2 FOR THE DELIVERY SOURCE CODE TO VERIFY THAT THE SURCHARGES THAT WILL BE ADDED BY SAAC ARE APPROPRIATE FOR THIS REPORT.

<sup>2</sup> REIMBURSEMENT CODE FOR SALES FROM STOCK MAYBE R OR S. SEE TABLE 708-1 FOR DISTRIBUTION OF FUNDS.

<sup>3</sup> COMMA AND DECIMAL POINT ADDED FOR CLARITY ARE NOT INCLUDED IN THE DELIVERY TRANSACTION. SEE TABLE 708-1 FOR COMPUTATION OF EXTENDED VALUE.

**TABLE 804-16 DELIVERY TRANSACTION EXAMPLE ACTUAL BELOW-THE-LINE  
TRANSPORTATION**

|                          |         |                             |
|--------------------------|---------|-----------------------------|
| TRANSACTION CODE         | (1)     | N                           |
| TRANSACTION CODE         | (2)     | X <sup>1</sup>              |
| MONITOR                  | (3)     | N                           |
| SHIPPING DEPOT           | (4-6)   | FNZ                         |
| PRICE CODE               | (7)     | A                           |
| STOCK/PART NO.           | (8-22)  | TRANCOSTS000000             |
| UNIT OF ISSUE            | (23-24) | BLANK                       |
| QUANTITY SHIPPED         | (25-29) | BLANK                       |
| DOCUMENT NO.             | (30-43) | DBD00241950057 <sup>2</sup> |
| SUFFIX CODE              | (44)    | BLANK                       |
| SUPPLEMENTAL ADDRESS     | (45-50) | SKA <sup>3</sup>            |
| MODE OF SHIPMENT         | (51)    | BLANK                       |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                       |
| PROGRAM YEAR             | (54)    | BLANK                       |
| DELIVERY SOURCE CODE     | (55-56) | BLANK                       |
| PORT OF EMBARKATION      | (57)    | BLANK                       |
| GENERIC CODE             | (58-60) | L10 <sup>4</sup>            |
| DATE (JULIAN) PERFORMED  | (61-64) | 5195                        |
| EXTENDED VALUE           | (65-73) | 0000325.31 <sup>5</sup>     |
| RSN                      | (74-76) | 004                         |
| FUND CODE                | (77-79) | BLANK                       |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                       |

<sup>1</sup> USE OF THE "NX" REPORT MUST BE APPROVED. SEE PARAGRAPH 080404.B. AND C.

<sup>2</sup> SEE TABLE 804-8 FOR BASIC TRANSACTION WHICH IS THE REPORT OF THE ITEM SHIPPED. THE DOCUMENT NUMBER IS FROM THE BASIC TRANSACTION.

<sup>3</sup> FIRST THREE POSITIONS OF THIS FIELD ARE BLANK.

<sup>4</sup> USE L10 ONLY IF UNABLE TO BREAK OUT COST BY EACH APPLICABLE GENERIC CODE. WHEN USING MORE THAN ONE GENERIC CODE, USE ONE REPORT FOR EACH APPLICABLE CODE USED AND SHOW THE AMOUNT OF COST APPLICABLE TO EACH. GENERIC CODES L1D, L1E AND L40 WILL BE REIMBURSED TO THE REPORTING ACTIVITY THROUGH THE COMMAND PAY. ALL OTHER GENERIC CODES FOR TRANSPORTATION WILL MOVE THE COSTS REPORTED INTO THE TRANSPORTATION ACCOUNT. BILLS AGAINST THAT ACCOUNT WILL BE SUBMITTED IN ACCORDANCE WITH PARAGRAPH 080601.C. THE AMOUNT REPORTED MAY NOT EXCEED \$25.00 WHEN UNITED PARCEL SERVICE IS USED AS THE CARRIER

<sup>5</sup> DECIMAL POINT SHOWN FOR CLARITY IS NOT INCLUDED IN THE DELIVERY TRANSACTION.



**TABLE 804-17 DELIVERY TRANSACTION EXAMPLE STORAGE CHARGE - 2 MONTH PERIOD  
(OTHER THAN FMSO AND DEFENSE BUSINESS OPERATIONS FUND)**

|                          |         |                             |
|--------------------------|---------|-----------------------------|
| TRANSACTION CODE         | (1)     | N                           |
| TRANSACTION CODE         | (2)     | BLANK                       |
| MONITOR                  | (3)     | Y                           |
| SHIPPING DEPOT           | (4-6)   | BY7                         |
| PRICE CODE               | (7)     | A                           |
| STOCK/PART NO.           | (8-22)  | STORAGE00000000             |
| UNIT OF ISSUE            | (23-24) | XX                          |
| QUANTITY SHIPPED         | (25-29) | 00000                       |
| DOCUMENT NO.             | (30-43) | BBDB434223DO14 <sup>1</sup> |
| SUFFIX CODE              | (44)    | BLANK                       |
| SUPPLEMENTAL ADDRESS     | (45-50) | BZ4MXC                      |
| MODE OF SHIPMENT         | (51)    | BLANK                       |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                       |
| PROGRAM YEAR             | (54)    | BLANK                       |
| DELIVERY SOURCE CODE     | (55-56) | BE                          |
| PORT OF EMBARKATION      | (57)    | BLANK                       |
| REIMBURSABLE CODE        | (58)    | S                           |
| TRANSPORTATION BILL CODE | (59)    | BLANK                       |
| STOCK FUND/NONSTOCK FUND | (60)    | BLANK                       |
| DATE (JULIAN) PERFORMED  | (61-64) | 4350 <sup>2</sup>           |
| EXTENDED VALUE           | (65-73) | 0000008.25 <sup>3</sup>     |
| RSN                      | (74-76) | 003                         |
| FUND CODE                | (77-79) | BLANK                       |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                       |

<sup>1</sup> SEE TABLE 804-7 FOR BASIC TRANSACTION. THE DOCUMENT NUMBER IS FROM THE BASIC TRANSACTION. THIS EXAMPLE ILLUSTRATES THE REPORT REQUIRED WHEN AN ITEM IS STORED FOR TWO MONTHS.

<sup>2</sup> DATE COMMENCES 15 DAYS FOLLOWING DATE OF AVAILABILITY. SEE NOTE 7 IN EXPLANATORY NOTES OF GENERAL CONDITIONS OF LOA.

<sup>3</sup> COMPUTATION BASED ON PARAGRAPH 070801 FOLLOWS: (\$3,300 X .00125 X 2 MONTHS = \$8.25). DECIMAL POINT SHOWN FOR CLARITY IS NOT INCLUDED IN THE DELIVERY TRANSACTION.

<sup>4</sup> REIMBURSEMENT IS TO THE O&M APPROPRIATION OF THE ACTIVITY STORING THE ITEM.

**TABLE 804-18 DELIVERY TRANSACTION EXAMPLE STUDENT TRAINING AT NAVY  
LOCATION PGS ENGINEERING SCIENCE COURSE IN 1984**

|                          |         |                             |
|--------------------------|---------|-----------------------------|
| TRANSACTION CODE         | (1)     | N                           |
| TRANSACTION CODE         | (2)     | BLANK                       |
| MONITOR                  | (3)     | C                           |
| SHIPPING DEPOT           | (4-6)   | N48                         |
| PRICE CODE               | (7)     | A                           |
| WORKSHEET CONTROL NO.    | (8-12)  | 0258A                       |
| FILLER                   | (13-15) | BLANK                       |
| MASL ID                  | (16-22) | P178023                     |
| UNIT OF ISSUE            | (23-24) | XX                          |
| QUANTITY SHIPPED         | (25-29) | 00001                       |
| DOCUMENT NO.             | (30-43) | PBD00000000001 <sup>1</sup> |
| SUFFIX CODE              | (44)    | BLANK                       |
| SUPPLEMENTAL ADDRESS     | (45-50) | POOTBK                      |
| MODE OF SHIPMENT         | (51)    | BLANK                       |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                       |
| PROGRAM YEAR             | (54)    | BLANK                       |
| DELIVERY SOURCE CODE     | (55-56) | BA                          |
| PORT OF EMBARKATION      | (57)    | BLANK                       |
| REIMBURSABLE CODE        | (58)    | S <sup>2</sup>              |
| TRANSPORTATION BILL CODE | (59)    | BLANK                       |
| STOCK FUND/NONSTOCK FUND | (60)    | 0                           |
| DATE (JULIAN) PERFORMED  | (61-64) | 4068                        |
| EXTENDED VALUE           | (65-73) | 0003,833.47 <sup>3</sup>    |
| RSN                      | (74-76) | 3P1                         |
| FUND CODE                | (77-79) | BLANK                       |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                       |

<sup>1</sup> PSEUDO DOCUMENT NUMBER. FIRST POSITION IS U.S. SERVICE. SECOND POSITION IS COUNTRY CODE AND REMAINDER FILLED WITH ZEROS OR USED BY REPORTING ACTIVITY FOR INTERNAL USE.

<sup>2</sup> REIMBURSEMENT CODES MAY BE R, S, OR N.

<sup>3</sup> EXTENDED VALUE IS PRICE LISTED IN THE MILITARY ARTICLES AND SERVICE LIST (MASL).

**TABLE 804-19 DELIVERY TRANSACTION EXAMPLE**  
**"RECOUPMENT OF INTEREST PENALTIES"<sup>1</sup>**

|                          |         |                         |
|--------------------------|---------|-------------------------|
| TRANSACTION CODE         | (1)     | N                       |
| TRANSACTION CODE         | (2)     | BLANK                   |
| MONITOR                  | (3)     | L                       |
| SHIPPING DEPOT           | (4-6)   | FLZ                     |
| PRICE CODE               | (7)     | A                       |
| STOCK/PART NO.           | (8-22)  | INTERESTPENALTY         |
| UNIT OF ISSUE            | (23-24) | XX                      |
| QUANTITY SHIPPED         | (25-29) | 00000                   |
| DOCUMENT NO.             | (30-43) | DBDC4Z41705050          |
| SUFFIX CODE              | (44)    | BLANK                   |
| SUPPLEMENTAL ADDRESS     | (45-50) | DA2SKA                  |
| MODE OF SHIPMENT         | (51)    | BLANK                   |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                   |
| PROGRAM YEAR             | (54)    | 4                       |
| DELIVERY SOURCE CODE     | (55-56) | DE <sup>2</sup>         |
| PORT OF EMBARKATION      | (57)    | BLANK                   |
| REIMBURSABLE CODE        | (58)    | S                       |
| TRANSPORTATION BILL CODE | (59)    | BLANK                   |
| STOCK FUND/NONSTOCK FUND | (60)    | BLANK                   |
| DATE (JULIAN) PERFORMED  | (61-64) | 4200                    |
| EXTENDED VALUE           | (65-73) | 0000320.00 <sup>3</sup> |
| RSN                      | (74-76) | SKD                     |
| FUND CODE                | (77-79) | BLANK                   |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                   |

<sup>1</sup> SEE TABLE 804-11 FOR BASIC TRANSACTION. THE DOCUMENT NUMBER IS FROM THE BASIC TRANSACTION. THIS EXAMPLE ILLUSTRATES THE REPORT REQUIRED WHEN A PAYMENT TO A CONTRACTOR INCURRED A PENALTY UNDER THE PROMPT PAYMENT ACT OF 1982 [REFERENCE (S)], SEE PARAGRAPH 070411.

<sup>2</sup> SEE TABLE 804-2 FOR THE DELIVERY SOURCE CODE TO VERIFY THAT THE SURCHARGES WHICH WILL BE ADDED BY SAAC ARE APPROPRIATE FOR THIS REPORT.

<sup>3</sup> COMMA AND DECIMAL POINT SHOWN FOR CLARITY ARE NOT INCLUDED IN THE DELIVERY TRANSACTION. REIMBURSEMENT IS TO THE APPROPRIATION OF THE ACTIVITY MAKING THE PENALTY PAYMENT.

**TABLE 804-20 DELIVERY TRANSACTION EXAMPLE "INTEREST ON ARREARAGES"<sup>1</sup>**

|                          |         |                         |
|--------------------------|---------|-------------------------|
| TRANSACTION CODE         | (1)     | N                       |
| TRANSACTION CODE         | (2)     | BLANK                   |
| MONITOR                  | (3)     | X                       |
| SHIPPING DEPOT           | (4-6)   | XFX                     |
| PRICE CODE               | (7)     | A                       |
| STOCK/PART NO.           | (8-22)  | 076100EXOREXP           |
| UNIT OF ISSUE            | (23-24) | XX                      |
| QUANTITY SHIPPED         | (25-29) | 00000                   |
| DOCUMENT NO.             | (30-43) | XA1XINT9103001          |
| SUFFIX CODE              | (44)    | BLANK                   |
| SUPPLEMENTAL ADDRESS     | (45-50) | BLANK                   |
| MODE OF SHIPMENT         | (51)    | BLANK                   |
| ADJUSTMENT REPLY CODE    | (52-53) | BLANK                   |
| PROGRAM YEAR             | (54)    | BLANK                   |
| DELIVERY SOURCE CODE     | (55-56) | EM                      |
| PORT OF EMBARKATION      | (57)    | BLANK                   |
| REIMBURSABLE CODE        | (58)    | D                       |
| TRANSPORTATION BILL CODE | (59)    | BLANK                   |
| STOCK FUND/NONSTOCK FUND | (60)    | BLANK                   |
| DATE (JULIAN) PERFORMED  | (61-64) | 0365                    |
| EXTENDED VALUE           | (65-73) | 0000320.00 <sup>2</sup> |
| RSN                      | (74-76) | 001                     |
| FUND CODE                | (77-79) | BLANK                   |
| ROUNDED DOLLAR INDICATOR | (80)    | BLANK                   |

<sup>1</sup> THIS BILLING EXAMPLE IS USED TO REPORT INTEREST ON ARREARAGES COMPUTED QUARTERLY ACCORDING TO VOLUME 6, CHAPTER 13 OF THIS REGULATION. INTEREST IS CHARGED TO CASE DESIGNATOR INT AND LINE 001 FOR ALL COUNTRIES

<sup>2</sup> COMMA AND DECIMAL POINT SHOWN FOR CLARITY ARE NOT INCLUDED IN THE DELIVERY TRANSACTION. REIMBURSEMENT IS TO MISCELLANEOUS RECEIPT ACCOUNT 3210 AFTER COLLECTION.

**0805 TRANSPORTATION COST LOOK-UP TABLE**

**080501. Procedures for Transportation Cost Look-Up.** Procedures for development of estimated actual transportation charges for use in the transportation cost look-up table are contained in the SAMM [reference (e)]. The purpose of the table is to provide to applicable DOD Components estimated actual transportation costs for items normally shipped in the Defense Transportation System (DTS) (e.g., sensitive/hazardous end items) when costs using standard transportation percentages are significantly different from estimated actual charges.

A. DSAA is responsible for recommending to DoD(C) those items which should be included in a transportation cost look-up table. Upon DoD(C) approval, DSAA shall disseminate the look-up table to the DOD Components. SAAC is responsible for application of the look-up table rates, when applicable to delivery transactions processed by the DOD components for specific items on the look-up table. DOD components are responsible for:

1. Making recommendations to DSAA relative to items and rates to be included in the look-up table.

2. Using approved rates in LOAs prepared for items cited on the look-up table.

3. Updating look-up table rates to assure estimated actual DOD costs are reflected.

4. Providing information to the SAAC relative to the applicable delivery term code for each delivery transaction processed to SAAC for items on the look-up table.

B. Each DOD component is responsible for providing recommendations to DSAA regarding items and charges for the look-up table. The formats at Tables 805-1 and 805-2 will be utilized in forwarding such recommendations to DSAA. The estimate of actual transportation cost must be documented and dem-

onstrate that all cost elements have been considered. Necessary cost elements include:

1. Estimated Security Cost.

Shipments which involve sensitive conventional arms, ammunition and explosives in transit are to be processed in accordance with DOD 5100.76-M [reference (y)]. DOD civilian and military personnel involved in providing personnel services in connection with these types of shipments are to be costed in accordance with the provisions of paragraphs 070202 and 70203 of this Volume.

2. Estimated Payments to Contractors. The estimated amounts to be paid to contractors shall be calculated at full commercial tariff rates plus any additional costs incurred to provide the required security.

3. Payments to DOD Transportation Activities. The estimated costs shall be calculated at the non-federal rate. In other words, full cost.

4. Cost of processing billings for transportation costs and the overhead of DOD transportation activities. Include in the cost elements the full cost associated with routing, control of shipments and the cost of processing payments of vendor bills.

C. Special transportation requirements, e.g., SAAM flights, will continue to be identified above the line on the LOA and applicable actual charges billed to the customer.

TABLE 805-1 CONUS TRANSPORTATION COSTS

| <u>NSN/<br/>NOMEN<sup>1</sup></u> | <u>Weight<br/>Item</u> | <u>Standard<br/>M/Ton/Item</u> | <u>Price</u> | <u>FMS<br/>Proc.<sup>2</sup><br/>Cost</u> | <u>Port of<sup>3</sup><br/>Embark-<br/>ation</u> | <u>Est.<br/>Actual<br/>CONUS<sup>4</sup><br/>Inland</u> | <u>Est<br/>Port<br/>Costs</u> |
|-----------------------------------|------------------------|--------------------------------|--------------|---|--|---|-------------------------------|
|-----------------------------------|------------------------|--------------------------------|--------------|---|--|---|-------------------------------|

<sup>1</sup>Items are those which appear to qualify based on previous data; NSNs must be added. Additional major items should be added as appropriate.

<sup>2</sup>Based on most current FMS offers.

<sup>3</sup>Data should be provided for East Coast, West Coast, and Gulf port, if applicable.

<sup>4</sup>Special factors such as security costs must be identified separately.

TABLE 805-2 OVERSEAS TRANSPORTATION COSTS

| <u>NSN/<br/>NOMEN<sup>1</sup></u> | <u>Weight<br/>Item</u> | <u>Standard<br/>M/Ton/Item</u> | <u>Price</u> | <u>FMS<br/>Proc.<sup>2</sup><br/>Cost</u> | <u>Est<br/>Actual<br/>Overseas<br/>Ship-<br/>ment<sup>3,4</sup><br/>(Surface)</u> | <u>Est.<br/>Actual<br/>Overseas<br/>Shipment<br/>(AMC)<sup>3,4</sup></u> | <u>Est.<br/>Actual<br/>Over-<br/>seas<br/>Port<br/>Loading</u> |
|-----------------------------------|------------------------|--------------------------------|--------------|---|---|--|--|
|-----------------------------------|------------------------|--------------------------------|--------------|---|---|--|--|

<sup>1</sup>Items are those which appear to qualify based on previous data; NSNs must be added. Additional major items should be added as appropriate.

<sup>2</sup>Based on most current FMS offers.

<sup>3</sup>For each item two figures must be cited:

- Shipments to Europe, Latin America, and Mediterranean Ports.
- Shipments to Newfoundland, Labrador, Thule, Iceland, South America, Far East, African Ports (other than Mediterranean) and Near East.

<sup>4</sup>Special factors such as security, demurrage, etc., must be identified separately.

# 0806 BILLING ACTUAL COST FOR CHARGES APPLIED BY SAAC

## 080601. Charges Applied by SAAC

A. Actual Administrative and Logistics support Costs. Actual administrative cost is funded by an allotment that is provided based on an approved FMS administrative budget. Obligations and outlays against the allotment must be supported by documentation that demonstrates the propriety of the obligation. The allotment holder shall retain these basic source documents for audit and report the use of allotment through the required Status-of-Allotment reports.

B. Actual Contract Administration Services Costs. DoD Components performing contract administration services or audit shall:

1. Submit monthly SF 1080 billing to SAAC for the FMS and SDAF proportionate share of contract administration and audit costs. Billings shall identify separately FMS and SDAF workload statistics. Organizations authorized to bill for contract administration services are as follows:

a. Army Ammunition Plants. Allocate contract management cost on the basis of the ratio of the FMS dollar value of procurement work directives to the total dollar value of procurement work directives. Allocate quality assurance costs on the basis of the ratio of FMS items produced to total items produced.

b. Navy Supervisors of Shipbuilding, Conversion, and Repair (SUPSHIP) Activities. Allocate contract management and quality assurance effort on the basis of the ratio of FMS billings to total billings.

c. DLA, Defense Contract Management Command. Allocate contract management and quality assurance effort on the basis of the ratio of FMS and SDAF contract disbursements to total contract disbursements.

(1) DCMC-I, Defense Contract Management Command - International. Allocation based on actual cost incurred.

d. DCAA, All Offices except HQ, DCAA. Allocate contract audit based on actual hours expended on FMS requirements.

e. Any other activity performing CAS as approved by the Office of the Comptroller, DoD. When Office of the Comptroller grants this exception, a copy of the exception, which identifies the allocation method, will be provided to the Defense Security Assistance Agency, Comptroller and to the Security Assistance Accounting Center.

2. The SF 1080 bills for actual cost shall be supported with a columnar schedule containing the following data:

- a. Organization.
- b. Type of CAS effort incurred.
  - (1) Contract audit.
  - (2) Quality assurance and inspection.
  - (3) Other CAS efforts.
- c. Allocation basis applicable to the CAS effort (see above paragraph).
- d. Current month workload statistics.
  - (1) Total workload.
  - (2) FMS cases on which CAS recoupments have been waived.
  - (3) FMS workload not subject to cost Recoupment waiver.
  - (4) FMS percentage [d.(3) divided by d.(1)x100].
- e. Allocation of funded monthly costs.

(1) Total cost incurred.

(2) Amount allocated to FMS program [e(1). multiplied by d(4)]. July 19, 1996.

f. Unfunded cost applied. Unfunded civilian retirement cost .

g. Total amount billed (e.2., and f.1.). Amounts in the column, for all organizations, shall agree with the SF 1080 billing.

h. The following special instruction applies when the allocation basis reported in column C is actual hours. Do not complete columns d(1), d(2), d(3), d(4), or e(1). Complete columns e(2), and f(1) using annual hourly rates prescribed by the Office of the Comptroller, DoD for use in pricing CAS support to foreign country commercial contracts.

3 . Maintain in DoD Component records the supporting detail (to include total dollar value of waivers excluded) for each SF 1080 submitted to SAAC for costs identified in subparagraph 2, above. This detail should not accompany the SF 1080, but the SF 1080 should be annotated to indicate supporting detail is available upon request.

C. Actual Transportation Cost. Transportation costs to customer freight forwarders from the Defense Business Operations Fund/Stock fund will be included in the cost of the article reported to SAAC. This applies to costs now reimbursed as a result of delivery transactions and to costs now reimbursed in response to SF 1080s and GBLs charged to the transportation surcharge account. Inventory shipments from Defense Business Operations Funds beyond the freight forwarders will be billed as a below-the-line charge in accordance with Tables 804-3A and 804-4A. All other shipments are billed according to tables 804-3B and 804-4B. Costs for transportation and billed as a "below-the-line" cost will be reimbursed to transportation activities in response to SF 1080 bills supported by a valid case identifier comprised of country code, implementing agency code, case designator, date of shipment date, and certifica-

tion that the bill amount was not included in the article's cost.

#### 1. Carrier Costs.

a. Commercial and Industrially Funded/Defense Business Operations Fund Organizations. Billings for other than inland CONUS stock fund/Defense Business Operations Fund materiel, shall be supported by electronic media, listing, and /or computer tapes detailing the transportation control numbers (TCNs) and case designators or articles transported to/for Security Assistance customers. "Carrier" means commercial carriers and/or the industrially funded/Defense Business Operations Fund portion of the Military Airlift Command and the Military Sealift Command. The following exceptions apply:

(1) The cost of transporting GFM to a contractor's plant is to be included in the price of the GFM, reported in the delivery transactions and not included in the SF 1080 billings.

(2) The cost of transportation for repair and return cases, is to be included in the cost of the repair service reported via the delivery transaction, and not included in the SF 1080 billings.

(3) "Above-the-line" discrete transportation costs such as "high flight" or special airlift are to be reported as a case charge via the delivery transaction, and not included in the SF 1080 billings.

(4) The inland CONUS transportation cost for stock fund/Defense Business Operations Fund materiel from point of origin to point of customer pickup (freight forwarder, customer, or customer designated CONUS delivery point) is borne by the stock fund/Defense Business Operations Fund (DoD 7420.13-R), and is not to be included in the SF 1080 billings.

b. On or after October 1, 1991, the FMS Trust Fund shall not be cited on Government Bills of Lading for transportation of stock fund/Defense Business Operations Fund



materiel. The cost of such transportation is included in the standard price of stock fund/Defense Business Operations Fund materiel [DoD 7420.13-R, reference (u)]. On or after October 1, 1991, GBL processing activities shall not accept GBLs citing the FMS Trust Fund for transporting stock fund /Defense Business Operations Fund materiel that has a ship date of on or after October 1, 1991.

c. The U.S. Postal Service.

All postal service cost collected by the SAAC as surcharge cost on FMS customer billings are directly reimbursed (pushed) to the applicable Implementing Agency's designated administrative headquarters organizations.

d. The Defense Courier Service.

The SF 1080 billings to recoup the cost of support provided by the Defense Courier Service shall be based on a pro-rata of FMS shipments to total shipments. The resulting percentage shall be applied to payments to the Defense Courier Service to determine FMS billings.

e. Air/Army Postal Office

(APO), Fleet Postal Office (FPO). The SF 1080 billings to recoup the cost of support provided by APOs and FPOs shall be based on a pro rata of FMS shipments to total shipments. The resulting percentage shall be applied to payments to the armed services operating these offices.

f. Commercial Package

Carriers. All costs collected by the SAAC as surcharges on FMS customer billings for commercial package carriers are directly reimbursed (pushed) back to the reporting DoD Components and not reimbursed from the FMS Transportation Account as a direct cite disbursement.

2. Recoupment of the Cost of DoD Organizations Which Support Carrier Movement

a. Air Mobility Command

[formerly Military Airlift Command (MAC) Headquarters]. Allocate non-industrially funded/Defense Business Operations Fund headquarters cost on the basis of the ratio of FMS billings to the total dollar value of industrial fund /Defense Business Operations Fund billings.

The billing for headquarters cost shall include a proportionate share of all costs funded by the O&M appropriation, military pay appropriation, and those unfunded costs identified in paragraph 080601 .B.2.f.

b. Military Sealift Command (MSC) Headquarters. Allocate non-industrially funded headquarters cost on the basis of the ratio of FMS billings to the total dollar value of industrial fund/Defense Business Operations Fund billings. The billing for headquarters cost shall include a proportionate share of all costs funded by the O&M appropriation, military pay appropriation, and those unfunded costs identified in paragraph 080601 .B.2.f.

c. Installation Support of AMC Airlift Operations. A charge of 5 percent of MAC Industrial fund/Defense Business Operations Fund billings shall be charged to recover the cost of DoD airport operations, (e.g., tower operations and runway use, etc). The charge shall be reimbursed to the Air Force operations and maintenance appropriations.

d. Organizations Responsible for Routing of Materiel, Preparation of GBLs and Carrier Selection. These organizations include the Military Traffic Management Command (MTMC) and subsidiary organizations, the Navy Materiel Transportation Office, and installation transportation offices. Billings shall be based on the level of effort estimates of FMS tonnage as a percentage of total tonnage moved. For the purpose of this calculation, FMS tonnage shall include both movement of materiel through the Defense Transportation System (DTS) and through commercial bills paid directly by foreign countries. The resulting percentage shall be applied to the total actual obligations incurred by routing organizations to determine the base charge. The billing shall include the base charge, military labor, and unfunded costs determined in accordance with 080601 .B.2.f.

e. Organizations Responsible for Accounting, Audit and Payment of Transportation Bills. (See paragraph 080601 .C.1. for GBL exception). These organizations are the Defense Finance and Accounting Service - Indianapolis Center, for Army, Air Force and Defense

agency shipments; the U.S. Navy Materiel Transportation Office, Norfolk, VA, for Navy shipments; and the Marine Corps Logistics Base, Albany, GA, for Marine Corps shipments. These billings shall be based on the use of level of effort estimates of the number of FMS GBLs processed as a percentage of the total number of GBLs processed. The percentage shall then be applied to obligation incurred by cost centers responsible for processing GBLs, and those unfunded costs identified in paragraph 080601 .B.2.f,

f. Organizations Providing Physical Security. Shipments which involve sensitive conventional arms, ammunition and explosives in transit are to be processed in accordance with DoD 5100.76-M [reference (y)]. DoD civilian and military personnel involved in providing personnel services in connection with these types of shipments are to be costed in accordance with the provisions of paragraphs 070202 and 070203 of this Volume.

3. Billings for Organic Transportation and Troop Labor. This type of support is typically provided when delivery term codes "2" through "9" (except "4") are used.

a. Troop Labor. Activities utilizing troop labor for the loading or unloading of vessels, trains, vans, etc. are responsible for billing applicable costs. FMS cost may be based on a pro rata share of the total cargo manifest, or a similar document.

b. Use of Organic Vehicles. These billings will be based upon a review of motorpool records. When records disclose DoD vehicles were used to move FMS materiel then the number of miles shall be determined and billed at the rate of \$4.00 per mile. The billing includes labor cost of driver assigned by the motor pool. Motor pool billing will be consolidated by major commands.

D. Packing, Crating and Handling. SF 1080 Billings for actual packing, crating and handling costs are normally not submitted. Instead, earned reimbursements are "pushed" to the shipping depot when SAAC applies the applicable surcharge. (Note: Stock fund/ De-

fense Business Operations Fund items are not reimbursed for PC&H as that charge is included in the standard price).

## 0807 SAAC MANAGEMENT CONTROL PROGRAM

### 080701. General

A. As the central site for Security Assistance accounting within the DoD, SAAC is responsible for the development of an annual Management Control Program (MCP) to test internal controls and measure the quality of DoD Security Assistance accounting systems, operations of DoD Components performing Security Assistance functions. Topics for review may be suggested by implementing agencies, DSAA, or other DoD Components. Suggestions should be submitted to DFAS-DE/IQ and include a narrative describing the suggested area of review and any apparent problems or concerns to be considered.

B. DoD Components shall fully support the SAAC MCP. Tests or reviews involving IAs or other DoD Components shall be jointly accomplished by SAAC and the activities involved. SAAC shall be responsible for the overall review plan, the general conduct of the review, and publishing the final report of resolution or agency points of contact and assist SAAC by providing data or documentation in support of the review. During specified reviews, the DoD Components may be responsible for day-to-day conduct of the review with SAAC responsible for designing a joint review plan, monitoring the conduct of the plan, and publishing a consolidated report..

C. SAAC will provide DFAS, the Office of DoD Comptroller, the Comptroller, DSAA, and the heads of involved DoD Components a copy of the annual External Network Operations Review Plan at the beginning of each fiscal year and copies of External Network Operations review reports as they are completed.

D. SAAC will recommend additional Defense Institute of Security Assistance Management (DISAM) training or the expansion of existing DISAM training courses for specific DoD

Security Assistance functional areas. Normally, such supplemental training recommendations will result from observations made during external DoD Network Operations reviews of areas demonstrating an adequate policy and internal control structure, but weak due to a general lack of expertise. The intention is that the effectiveness and efficiency of the Security Assistance community will benefit from the additional knowledge and information gained through exposure to the DISAM curriculum.

**0808 SUPPORTING DOD COMPONENT PERFORMANCE REPORTS/ REQUEST FOR REIMBURSEMENTS**

**080801. General.** DoD Components shall support FMS cases at the request of the applicable implementing agency. Such requests shall be in the form of requisitions or formal orders which place a dollar value on the support to be provided, the appropriation/ fund that will pay resulting billings, the appropriation/fund that will bill and record earned reimbursements and the address (symbol) of the implementing agency organization that is to receive and pay applicable bills. The formal orders shall be a Military Interdepartmental Purchase Request (MIPR) or equivalent. Billings by the supporting DoD Component to the implementing agency pursuant to a formal order shall be submitted on an SF 1080 supported by delivery transactions to the paying office identified in the order. The paying office shall include the delivery transactions in a consolidated submission to SAAC and reimburse any amounts due for inventory items or services when reimbursement is received from SAAC. Payments to contractors shall be made only subject to expenditure authorities issued by SAAC. A nonreimbursable delivery transaction applicable to such costs should be included in the submission.

**080802. Processing Requisitions.** In the event requisitions are received from the implementing agency with a fund and signal code signifying direct citation of the FMS Trust Fund (not an allotment of direct cite authority), the delivery transaction or modified MILSBILLS detailed billing transaction shall be submitted to the requisitioning activity. Requisitions containing such fund and signal codes shall be processed on

a prompt delivery basis (within 30 days). SAAC shall record obligations and disbursements upon receipt of the FMS detail delivery transactions or the modified MILSBILLS detailed billing cards. The concept is that obligations and disbursements will generally be reported to SAAC in the same month. Therefore, the process of separately reporting original obligations, adjustments or cancellations of original obligations and related disbursements is not necessary. DoD Components shall not submit interfund requisitions to non-DoD supplying activities unless expenditure authority has been approved by SAAC. Within DoD the interfund billing activity must obtain necessary self-reimbursement authority for interfund requisitions. If stocked items are not available for prompt delivery and new procurement is necessary, MIPR procedures will be followed. In the event the requisition is submitted to a non-DoD organization, the summary billing transaction and the supporting unmodified MILSBILLS detailed billed transactions shall be submitted to the implementing agency. The implementing agency shall convert MILSBILLS detailed delivery transactions to a FMS detail delivery transaction and forward the billing information to SAAC within 5 working days. SAAC shall use the FMS detail delivery transactions to prepare delivery reports to the FMS customers and provide a copy of the report or FK document identified equivalent to the implementing DoD Components for use in posting to supply performance files.

**0809 PERFORMANCE AND DELIVERY REPORTING**

**080901. Reports**

A. **FMS Command Pay List.** The SAAC provides reporting activities with a monthly FMS Command Pay List that identifies the total amount of work in process or deliveries charged to FMS cases in the current reporting period, excluding accounts payable (see Section D., below). The amount includes the delivery transactions submitted by the reporting activity less accounts payable and rejected items (see Section C., below) and additional charges mechanically computed by the SAAC. The last line of the Command Pay List, Total Reimbursable to This Payee" should equal the amount the

payee received by check (a By-Others transaction for AFLC). SAAC computed charges may or may not be reimbursable to the reporting activity. SAAC computed charges include:

1. Administrative Fee and Logistics Support Cost (LSC) Charges - Non-reimbursable.

2. Packing, Crating, and Handling Charges (PC&H) - Reimbursable. (Not applicable to stock fund/Defense Business Operations Fund items).

3. "Below-the-line" transportation charges. Transportation generic codes (See Table 804-4) L1D, L1E, and L40 are reimbursable. Other transportation generic codes are nonreimbursable. (L1D and L1E are not applicable to stock fund /Defense Business Operations Fund items if ship date is October 1, 1991 or later. L1A (Inland CONUS) rate of 3.75% not applicable to stock fund items effective October 1, 1990).

4. Contract Administration Surcharge (CAS) - Nonreimbursable.

B. FMS Detail Delivery Feedback list. The FMS Detail Delivery Feedback List or magnetic tape is attached to the Command Pay List and identifies the delivery transactions submitted by reporting activities and processed by SAAC for reimbursement or reporting to the FMS customer. In addition, it identifies add-on amounts mechanically computed by SAAC for each processed delivery transaction. When reconciling reimbursement received from SAAC to reporting activity records, the following columns of the FMS Detailed Delivery Feedback list should be used.

1. Voucher Amount Paid (VOU AMT PD). This column identifies the amount of reimbursement to the reporting activity.

2. Extended Value (EXT VAL). This column identifies the total amount reported to SAAC.

3. Stock Fund Add-On (STK FUND ADD-ON). Through accounting date 87-03, this column identifies the surcharge ap-

plied to stock fund/Defense Business Operations Fund items with a delivery date in FY 1980 and 1981. After accounting date 87-03, this field identifies the logistics support charge (LSC).

4. Contract Administrative Surcharge Add-On (CAS ADD-ON). This column identifies CAS computed by SAAC. Items and associated costs charged may include stock fund/Defense Business Operations Fund listed items, government-furnished materiel (GFM), and nonrecurring charges. CAS is applied to procurement Delivery Source Codes (DSC) (nonreimbursable to the reporting activity).

5. Defense Transportation System (DT TRAN). This column identifies transportation charges applied when the U.S. Government provides the transportation as a "below-the-line" service. (Nonreimbursable to the reporting activity).

6. Accessorial Administrative Costs (ACSRL ADM COST). This column identifies administrative charges, and those packing, crating and handling (PC&H) charges applied against the FMS case. These charges are applied against total deliveries reported for each case during the month and not identified to the individual deliveries. (PC&H charges for procurement appropriation funded items are reimbursable to the reporting activity.)

7. All charges are applied to the Extended Value (EXT VAL) column.

8. This listing does not provide summary totals of deliveries reported. It is used to compare deliveries reported with deliveries processed when reconciling amounts reimbursed to the reporting activity.

C. FMS IA Performance Report Transaction Register. The FMS IA Performance Report Transaction Register contains five parts. These parts include:

1. IA Initiated Performance Reports Rejected Not Processed. This part contains all delivery transactions that could not be processed by the SAAC. The reasons for not processing are listed immediately under each

transaction. A corrected transaction should be resubmitted to the SAAC. This part shall be used in reconciling reported deliveries to deliveries processed by SAAC. Rejected transactions should be corrected and resubmitted within 30 days.

## 2. IA Initiated Performance Reports Processed with Management Alerts.

This part contains all delivery transactions that have been processed and on which possible problem areas were identified by SAAC processing. These transactions should be reviewed to determine if the transaction was properly prepared. If the transaction was properly prepared, no further transaction should be submitted to the SAAC.

3. SAAC Initiated Performance Reports Processed. This part contains those transactions computed by SAAC and applied for the IA by the SAAC. They are provided for posting to IA records.

4. SAAC Initiated Corrections to Initial IA Performance Reports. This part provides information on delivery transaction subsequently modified by the SAAC. Data shall appear with the IA delivery transaction first, followed by the corrective action taken by the SAAC.

5. SAAC Deletions From IA Initiated Performance Reports. This part provides the delivery transactions that have been subsequently deleted by the SAAC.

## D. FMS Accounts Payable List

1. The FMS Accounts Payable List indicates reimbursable delivery transactions for which payment is not being made. Reasons for nonpayment include:

- a. The country's funds are frozen (not available to disburse).
- b. The country does not have enough cash available.
- c. The case provides for payment 60 days after delivery.

2. The list contains a total of all transactions that are reimbursable and have not been paid to the reporting activity.

E. FMS Voucher Backup for Payment for Accounts Payable. The FMS Voucher Backup for Payment of Accounts Payable listing represents the amount paid to the reporting activity [re: Command Pay List (see section A., above)] by country, implementing agency, and reporting activity.

## 080902. Reject Codes

A. The delivery transactions listed on FMS Implementing Agency Performance Report Transaction Register (see paragraph 080901.C., above) that contain reject codes did not process to the FMS Command Pay List. Reports with reject codes shall be researched and reinput within 30 days. SAAC will maintain a control file of outstanding rejected transactions, which shall be cleared once corrected transactions are resubmitted and processed. The implementing agencies will be provided copies of the control file.

B. Reports coded with management alerts have processed and are on the FMS Command Pay List. Those transactions which contain a management alert code shall also be researched. If corrective action is required following this research, reinput these transactions by reversing the previous input and submitting the corrected data within 30 days.

## 080903. Reconciling Reports

A. In reconciling reimbursable delivery transactions to the amounts reimbursed, the following steps shall be taken:

1. Verify that the voucher backup equals the amount on the check and the FMS Command Pay List. All amounts should equal. If amounts are not equal, contact SAAC to reconcile differences.

2. Determine:

- a. Total Reimbursable Deliveries Reported (Transaction Input) \$\_\_\_\_\_

- b. Total Amount Reimbursed  
 (Command Pay List /Check) \$ \_\_\_\_\_  
 Less Add-Ons (Command Pay List)  
 Less SAAC Inputs (IA Register),  
 Subtotal reported deliveries  
 processed \$ \_\_\_\_\_  
 Plus Accounts Payable (A/P List)  
 Plus Rejected Items (IA Register) \$ \_\_\_\_\_  
 Reconciling Total \$ \_\_\_\_\_

B. If in using the computation above, subparagraphs A.2.a and A.2.b. do not agree, further reconciliation of deliveries reported to deliveries processed is required. Match reported deliveries to deliveries processed on the Feedback Listing to identify dropped or duplicate transactions (mechanically or manually). Reinput dropped transactions and reverse duplication transactions.

#### 080904. Reporting Examples

A. Table 809-1 illustrates the expansion of the delivery report for physical deliveries of articles and performance of services. This expansion occurs within the FMS Integrated Control System wherein additional information is added for accounting control. A transaction control number, action code, and intefund bill number are added to the delivery transaction to provide additional control. The document identifier is expanded to differentiate between input and feedback. The expanded report of delivery submitted through the FMS Integrated Control System (FICS) to the Defense Integrated Financial System (DIFS) will have a document identifier of NAI. Every NAI transaction received in DIFS is fed back to the FICS with a document identifier of NAF. Rejected transactions include transaction reply codes that identify error conditions. Rejects are suspended and controlled by transaction control number. The delivery transaction combines financial information with logistics information and is reflected in column 9 of the DD 645 Billing Statement and itemized as a FKA/B transaction on the customer's Delivery Listing. The information added in the expanded version is not included in the report to the customer. This information is internal and its only use is to assure accounting control of the transactions.

B. Table 809-2 illustrates the expansion of the delivery transaction of a progress payment to the contractor. This version of the delivery transaction is similar to the one described in subparagraph A above with the exception that port of embarkation code, transportation bill code, stock fund code, date of shipment, and mode of shipment are not included. The document identifier for the report submitted to DIFS is NDI and the feedback is NDF. This is a financial transaction and recorded as work-in-process on the DD 645 Billing Statement. It is not itemized in the Delivery Listing.

C. Other expanded formats, not illustrated here, correspond to other delivery transaction formats such as the Report of Discrepancy actions and the Report of Actual Costs. Detailed procedures concerning these various formats are contained in the FICS Interface Document.

**TABLE 809-1 EXAMPLE OF PHYSICAL DELIVERY OF MATERIEL/  
PERFORMANCE OF SERVICE**

| Data Element Description and Element Abbreviation                          | Format/No. of Position | FICS TRC | Edit/Validation  |
|--|------------------------|----------|--|
| Document Identifier Code   | '1-3                   | '002     | Must be NAI  |
| Transaction Control No.<br>Format (YYMMDDNNNNNV)                           | '4-16                  | '152     | Must be numeric  |
|  |                        | '152     | Date must be equal to or less than current date  |
|  |                        | '249     | Version Number (V) must be "0" if Action Code is "A" (add)   |
|  |                        | '248     | Version Number (V) must be 1 thru 9 if Action Code is "C" (change) and must be one greater than suspense version No.                                 |
|  |                        | —        | Version number is edited if the Action Code is "D" or invalid.   |
| Action Code  | 17                     | '003     | Must be "A", "C", or "D"<br>A=Add; C=Change; D=Delete  |
|  |                        | '341     | If Action Code = "A" then the Site Code/ DIC/TCN combination cited in transaction cannot be duplicated in same update                                |
|  |                        | '251     | If Action Code = "C" or "D" the Site Code/ DIC/TCN (excluding V) combination cited in transaction must match a record resident on PTC suspense file. |
| Document Number<br>Implementing Agency (IA)<br>Country Code (CC)           | '18-31                 |          |  |
|  | '18                    | '038     | IA code invalid (Table 03)   |
|  | '19-20                 | '037     | Country Code Invalid (Table 02)  |
|  | '21-31                 | '342     | If any position is not Alpha (A-Z) or Numeric (0-9) DIFS will overlay position with zero. (Spaces are not valid)                                     |
| Note: TRC will be management alert--transaction will process with this TRC |                        |          |  |
| CUST-IN-CNTRY (1)  | 21                     | '—       | NO EDIT  |
| DTC (1)  | 22                     | '—       | Validated if TBC is invalid . See TBC validation   |
| TYPE-ASST(1)   | 23                     | '—       | NO EDIT  |
| DOC-NBR-LST-8(8)   | '24-27                 | '—       | NO EDIT  |
| DT-RQSN(4)   |                        |          |  |
| DOC-SERIAL-NBR (4)   | '28-31                 | '—       | NOEDIT   |
| Monitor Code   | 32                     | '006     | Must match Monitor Code table (Table 12), using full table key of Monitor Code and IA  |
|  |                        | '343     | Army reporting DD 1517s (IAs=B, E, M, R, V and Z). Monitor Code must = X when Reimbursement Code = D or S.   |
|  |                        | '344     | Navy reporting DD 1517s<br>Monitor Code must = V, C, or S  |

**TABLE 809-1 EXAMPLE OF PHYSICAL DELIVERY OF MATERIEL/  
PERFORMANCE OF SERVICE (CONTINUED)**

| Data Element Description<br>and Element Abbreviation          | Format/<br>No. of<br>Position | FICS<br>TRC | Edit/Validation   |
|---|-------------------------------|-------------|---|
| Routing Identifier Code                                       | '33-35                        | 304         | Must be Alpha (A-Z) or Numeric (0-9)<br>(No Spaces)<br>All IAs (Do this RIC edit right after TRC 304)   |
|   |                               | '345        | If Monitor = Y and RIC = RRR, IA must = B<br>If not, reject without another edit on RIC<br>Army Reporting (IAs = B, E, M, R, V, and Z)  |
|   |                               | '345        | If Monitor not = Y or X, Monitor/RIC<br>combination must match Command Pay<br>Address Table   |
|   |                               | '345        | Army Reporting (IAs = B, E, M, R, V, and Z)<br>If Monitor Code = Y and RIC = ZZZ, reject<br>Army Reporting (IAs = B, E, M, R, V, and Z)   |
|   |                               | '346        | If Monitor = X, RIC is matched to Table 33<br>for RIC/Monitor conversion. If not on table,<br>reject  |
|   |                               | '345        | Air Force reporting<br>If IA = D and Monitor not = B, G, H, F, L, N or<br>P, Monitor/RIC must match Command Pay<br>Address Table  |
|   |                               | '---        | Navy reporting<br>No edits performed against Command Pay<br>Address Table   |
|   |                               | '330        | GSA reporting (pertains to all valid IAs)<br>If RIC = G, DCS must equal EF or EG.<br>If not, reject   |
|   |                               |             | Information only - See BCR 90106<br>All Other IAs reporting   |
|   |                               |             | If IA not = R and 1st position of RIC = S,<br>do not match to Command Pay Address Table   |
| Price Code  | 36                            | '007        | Must = A, E, or N   |
|   |                               | '347        | Price Code and Reimbursement Code cannot<br>both = N  |
|   |                               | '348        | Price Code may = N only for DSC with<br>CAS = Y as shown on Table 804-2 in<br>DoD 7220.9-M, Vol 9.  |
| National Stock Number   | '37-51                        | '342        | Should be Alpha (A-Z) or Numeric (0-9)<br>(No Spaces) DIFS will change special<br>characters to zero (0)  |
| Note: TRC will be management alert--transaction will process. |                               |             |   |
| Unit of Issue   | '52-53                        | '008        | Must match Unit of Issue Table (Table 06)   |
| Delivered Quantity  | '54-60                        | '010        | Must be Numeric   |
|   |                               | '349        | If equal to "0" unit of issue must be "XX"  |
|   |                               | '018        | If not equal to "0" the sign of this field must<br>agree with the sign of amount delivered<br>articles and services. If this field is equal to<br>"0" there is not edit between the signs of this<br>field and amount of delivered articles and svcs. |
|   |                               | '350        | Cannot exceed (without sign) 99,999   |



**TABLE 809-1 EXAMPLE OF PHYSICAL DELIVERY OF MATERIEL/  
PERFORMANCE OF SERVICE (CONTINUED)**

| Data Element Description and Element Abbreviation | Format/<br>No. of<br>Position | FICS<br>TRC   | Edit/Validation  |
|---|-------------------------------|---|--|
| Suffix  | 61                            | '---  | No edit.   |
| Customer Country Military Service Code            | 62                            | '---  | No edit.   |
| Option/Frieght Forwarder Code                     | '63-64                        | '---  | No edit.   |
| Case Designator                                   | '65-67                        | '041<br>'031  | Must be a valid Case<br>Case must be in I or C status  |
| Delivery Source Code                              | '68-69                        | '337<br>'334<br>'012  | If DSC = EF or EG, RIC must = G<br>If not, reject<br>If DSC = "CA" Case Type Assistance must equal U (FMSO I)<br>If the DSC is equal to "CD" or "DE" thru "DX" reject without any other edit of DSC or Reimbursement code.   |
| Reimbursement Code                                | 70                            | * Perform these two "013" reimbursement edits first<br>013*<br>013*<br>012<br>013<br>011<br>139 | If the Reimbursement Code = A, W, X, Y or Z reject without any other edit of reimbursement code.<br>If IA = P and Reimbursement Code = R Monitor Code must = C. If not reject and do no other edits on the Reimbursement Code.<br>Match DSC/Reimbursement Code to the DSC Cost Computation Table. If the combination is invalid, then match DSC to DSC Table. If DSC is invalid, reject for invalid DSC.<br>If DSC is valid, match Reimbursement Code table. If Reimbursement code not on table, reject for invalid Reimbursement Code<br>If both DSC and Reimbursement Code are valid reject for invalid combination<br>If reimbursement code = "I", Interfund Bill number must be present. |
| Port of Embarkation Code                          | 71                            | '---  | No edit. If present and equal to "A" compute Air Trans., otherwise compute Ocean   |

**TABLE 809-1 EXAMPLE OF PHYSICAL DELIVERY OF MATERIEL/  
PERFORMANCE OF SERVICE (CONTINUED)**

| Data Element Description<br>and Element Abbreviation | Format/<br>No. of<br>Position | FICS<br>TRC                                  | Edit/Validation  |
|--|-------------------------------|--|--|
| Transportation Bill Code<br>(TBC)                    | 72                            | '---<br>'284<br>'283<br>'285<br>'014<br>'286 | <p>If TBC = D, K, or L, do not perform any other TBC edits.</p> <p>If TBC equals W and DTC does not equal 6, 8, or 9 reject</p> <p>If TBC equals W and DTC equals 6, 8, or 9 and there is no matching NSN on Table 35 with an effective date less than or equal to the transaction date shipped, reject.</p> <p>If DTC equals 6, 8, or 9 and a NSN/date match found, DIFS will move "W" to TBC</p> <p>Note: TRC is management alert--transaction will process with this TRC.</p> <p>Must be on the Transportation Bill Code table (28). If invalid, then check Delivery Term Code (DTC).</p> <p>Note: TRC is management alert--transaction will process with this TRC.</p> <p>If DTC non on DTC Table, reject.</p> |
| Stock Fund Code                                      | 73                            | '---   | No edit.   |
| Date Shipped (YYMMDD)                                | '74-79                        | '016   | Must be valid date and less than or equal to current date.   |
| Item Number  | '80-82                        | '103   | Must be a valid item.  |
| Interfund Bill Number                                | '83-87                        | '032   | This edit is invoked only if Reimbursement code = I Interfund Bill Number must be valid Alpha (A-Z) or Numeric (0-9). (No special characters or embedded spaces allowed.) If Reimbursement Code not = I, there is no edit on the Interfund Bill Number.  |
| Amount Delivered Articles/<br>Services               | '88-102                       | '017<br>'351<br>'356                         | <p>Must be numeric.</p> <p>Amount exceeds DIFS limitations<br/>Reject if amount (ignoring sign) is greater than 999,999,999.99.</p> <p>If amount is greater than 9,999,999.99 but less than 1,000,000,000.00 and not in even dollars, the cents will be changed to zeros in DIFS.</p> <p>Note: TRC is management alert--transaction will process with this TRC.</p>  |
| Mode of Shipment Code                                | 102                           | '352   | Must be Alpha or Numeric or Asterisk (*) or Blank.   |

NOTE: TRC = Transaction reply code.

**TABLE 809-2 EXAMPLE OF FINANCIAL PERFORMANCE REPORTING**

| Data Element Description and Element Abbreviation                         | Format/No. of Position | FICS TRC | Edit/Validation   |
|---|------------------------|----------|---|
| Document Identifier Code  | '1-3                   | '002     | Must be NDI   |
| Transaction Control No.<br>Format (YYMMDDNNNNNV)                          | '4-16                  | '152     | Must be numeric   |
|   |                        | '152     | Date must be equal to or less than current date   |
|   |                        | '249     | Version Number (V) must be "0" if Action Code is "A" (add)  |
|   |                        | '248     | Version Number (V) must be 1 thru 9 if Action Code is "C" (change) and must be one greater than suspense version No.                                |
|   |                        | ---      | Version number is edited if the Action Code is "D" or invalid.  |
| Action Code   | 17                     | '003     | Must be "A", "C", or "D"<br>A=Add; C=Change; D=Delete   |
|   |                        | '341     | If Action Code = "A" then the Site Code/DIC/TCN combination cited in transaction cannot be duplicated in same update                                |
|   |                        | '251     | If Action Code = "C" or "D" the Site Code/DIC/TCN (excluding V) combination cited in transaction must match a record resident on PTC suspense file. |
| Document Number<br>Implementing Agency (IA)<br>Country Code (CC)          | '18-31                 |          |   |
|   | '18                    | '038     | IA code invalid   |
|   | '19-20                 | '037     | Country Code Invalid  |
|   | '21-31                 | '342     | If any position is not Alpha (A-Z) or Numeric (0-9) DIFS will overlay position with zero. (Spaces are not valid)                                    |
| Note: TRC will be management alert—transaction will process with this TRC |                        |          |   |
| CUST-IN-CNTRY (1)   | 21                     | '---     | NO EDIT   |
| DTC (1)   | 22                     | '---     | Validated if TBC is invalid . See TBC validation  |
| TYPE-ASST(1)  | 23                     | '---     | NO EDIT   |
| DOC-NBR-LST-8(8)  | '24-27                 | '---     | NO EDIT   |
| DT-RQSN(4)  |                        |          |   |
| DOC-SERIAL-NBR (4)  | '28-31                 | '---     | NOEDIT  |
| Monitor Code  | 32                     | '006     | Must match Monitor Code table using full table key of Monitor Code and IA   |
|   |                        | '343     | Army reporting DD 1517s (IAs=B, E, M, R, V and Z). Monitor Code must = X when Reimbursement Code = D or S.  |
|   |                        | '344     | Navy reporting DD 1517s<br>Monitor Code must = V, C, or S   |

TABLE 809-2 EXAMPLE OF FINANCIAL PERFORMANCE REPORTING (CONTINUED)

| Data Element Description and Element Abbreviation | Format/No. of Position | FICS TRC | Edit/Validation   |
|---|------------------------|----------|---|
| Routing Identifier Code                           | '33-35                 | 304      | Must be Alpha (A-Z) or Numeric (0-9) ( No Spaces)<br><u>All IAs (Do this RIC edit right after TRC 304)</u>  |
|   |                        | '345     | If Monitor = Y and RIC = RRR, IA must = B<br>If not, reject without another edit on RIC<br><u>Army Reporting (IAs = B, E, M, R, V, and Z)</u>                       |
|   |                        | '345     | If Monitor not = Y or X, Monitor/RIC combination must match Command Pay Address Table<br><u>Army Reporting (IAs = B, E, M, R, V, and Z)</u>                         |
|   |                        | '345     | If Monitor Code = Y and RIC = ZZZ, reject<br><u>Army Reporting (IAs = B, E, M, R, V, and Z)</u>   |
|   |                        | '346     | If Monitor = X, RIC is matched to Table 33 for RIC/Monitor conversion. If not on table, reject<br><u>Air Force reporting</u>  |
|   |                        | '345     | If IA = D and Monitor not = B, G, H, F, L, N or P, Monitor/RIC must match Command Pay Address Table<br><u>Navy reporting</u>  |
|   |                        | '—       | No edits performed against Command Pay Address Table  |
|   |                        |          | Information only - See BCR 90106<br><u>All Other IAs reporting</u><br>If IA not = R and 1st position of RIC = S, do not match to Command Pay Address Table          |
| Price Code  | 36                     | '007     | Must = A, E, or N   |
|   |                        | '347     | Price Code and Reimbursement Code cannot both = N   |
|   |                        | '353     | Price Code may = N only for DSC with CAS = Y as shown on Table 804-2, this Volume   |
| National Stock Number                             | '37-51                 | '342     | Should be Alpha (A-Z) or Numeric (0-9) (No Spaces) DIFS will change special characters to zero (0)<br>Note: TRC will be management alert--transaction will process. |
| Suffix  | 52                     | '—       | No edit.  |
| Customer Country Military Service Code            | 53                     | '—       | No edit.  |
| Option/Frieght Forwarder Code                     | '54-55                 | '—       | No edit.  |

**TABLE 809-2 EXAMPLE OF FINANCIAL PERFORMANCE REPORTING (CONTINUED)**

| Data Element Description and Element Abbreviation | Format/No. of Position | FICS TRC  | Edit/Validation  |
|---|------------------------|---|--|
| Case Designator                                   | '56-58                 | '041<br>'078  | Must be a valid case<br>Case must be in "I" status   |
| Delivery Source Code                              | '59-60                 | '354  | DSC must equal "CD" or "DE" thru "DX"<br>If not, reject  |
| Reimbursement Code                                | 61                     | * Perform these two "013" reimbursement edits first<br>'013*<br>'013*<br>'012<br>'013<br>'011<br>'139 | If the Reimbursement Code = A, W, X, Y or Z reject without any other edit of reimbursement code.<br>If IA = P and Reimbursement Code = R Monitor Code must = C. If not reject and do no other edits on the Reimbursement Code.<br>Match DSC/Reimbursement Code to the DSC Cost Computation Table. If the combination is invalid, then match DSC to DSC Table. If DSC is invalid, reject for invalid DSC.<br>If DSC is valid, match Reimbursement Code table. If Reimbursement code not on table, reject for invalid Reimbursement Code<br>If both DSC and Reimbursement Code are valid reject for invalid combination<br>If reimbursement code = "I", Interfund Bill number must be present. |
| Date Accounting Month (YYMM)                      | '62-65                 | '016  | Must be numeric and valid YY MM combination. Must be less than or equal  |
| Item Number                                       | '66-68                 | '103  | Must be a valid item.  |
| Amount Delivered Articles/ Services               | '69-82                 | '017<br>'351<br>'356  | Must be numeric.<br>Amount exceeds DIFS limitations<br>Reject if amount (ignoring sign) is greater than 999,999,999.99.<br>If amount is greater than 9,999,999.99 but less than 1,000,000,000.00 and not in even dollars, the cents will be changed to zeros in DIFS.<br>Note: TRC is management alert—transaction will process with this TRC.   |
| Interfund Bill Number                             | '83-87                 | '032  | This edit is invoked only if Reimbursement code = I Interfund Bill Number must be valid Alpha (A-Z) or Numeric (0-9). (No special characters or embedded spaces allowed.)<br>If Reimbursement Code not = I, there is no edit on the Interfund Bill Number.   |

NOTE: TRC = Transaction reply code.

**REFERENCES APPLICABLE TO CHAPTERS 3, 4, 5, 6, 7 AND 8**

(a) Public Law 90-629, "The Foreign Military Sales Act of 1968," was amended by Public Law 94-329, "The International Security Assistance and Arms Export Control Act of 1976," and they are commonly referred to as the "Arms Export Control Act (AECA)." Previous legislation included "The Mutual Security Act of 1954," as amended, and "The Foreign Assistance Act (FAA) of 1961," as amended. Both the AECA and the FAA are amended by annual legislation usually entitled, "The International Security and Development Cooperation Act of (year)." Examples include Public Law 97-113 and 99-83. Other related legislation includes laws such as Public Law 100-461, "Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989," October 1, 1988, 102 Stat 2268

(b) DoD Instruction 7000.14, "DoD Financial Management Policy and Procedures," June 1992

(c) DoD Instruction 7290.3, "Foreign Military Sales Finance and Accounting," May 8, 1991 (canceled by this issuance)

(d) DoD 7110.1-M, "Department of Defense Budget Guidance Manual," May 1990, authorized by DoD Instruction 7110.1, "DoD Budget Guidance," October 30, 1980

(e) DoD 5105.38-M, "Security Assistance Management Manual," October 1988, authorized by DoD Directive 5105.38, "Defense Security Assistance Agency (DSAA)," August 10, 1978

(f) DoD Directive 7200.1, "Administrative Control of Appropriations," May 4, 1995

(g) Federal Acquisition Regulation (FAR), and Defense FAR Supplement (DFARS)

(h) DoD 8910.1-M, "DoD Procedures for Management of Information Requirements," June 1998

(i) Public Law 90-629, AECA [see reference (a)], as amended, 82 Stat 1323 (22 U.S.C. 2762)

(j) Public Law 97-255 "Federal Managers' Financial Integrity Act of 1982," September 8, 1982, as amended, 96 Stat 814 [31 U.S.C. 3512(b)]

(k) DoD Instruction 2140.4, "Collecting and Reporting of Foreign Indebtedness Within the Department of Defense," June 23, 1977 (canceled upon issuance of Volume 6, Chapter 12 of this Regulation)

(l) Department of the Treasury, Financial Manual for Guidance of Departments and Agencies, Volume I

(m) Chapter 104, "Interstate Commerce Act of 1887," February 4, 1887, as amended, 24 Stat 379 (49 U.S.C. 10721, 10761) and "The Elkins Act" (49 U.S.C. 11903)

- (n) Defense Appropriation Acts; For example, "The Department of Defense Appropriation Act of 1983," section 747; Public Law 96-29, "The DoD 1979 Supplemental Appropriation Authorization Act"; Public Law 96-107, "The FY 1980 DoD Appropriation Authorization Act"; Public Law 96-342, "Department of Defense Appropriations Act, 1981," 94 Stat 1077; and Public Law 101-165, "Department of Defense Appropriations Act, 1990," November 21, 1989, 103 Stat 1152 (22 U.S.C. 2761)
- (o) DoD Directive 4100.37, "Retention and Transfer of Materiel Assets," May 24, 1988
- (p) DoD 4160.21-M, "Defense Reutilization and Marketing Manual," August 1997
- (q) DoD Instruction 7310.1, "Disposition of Proceeds from DoD Sales of Personal Property," July 10, 1989
- (r) DoD Directive 2140.2, "Recoupment of Nonrecurring Costs (NC) on Sales of U.S. Items," January 13, 1993
- (s) Public Law 97-177, "Prompt Payment Act," May 21, 1982, as amended, 96 Stat 85 (31 U.S.C. 3901-3906)
- (t) DoD Directive 2000.8, "Cooperative Logistics Supply Support Arrangements," February 12, 1981
- (u) DoD 7420.13-R, "Stock Fund Operations," June 1986
- (v) DoD 1338.10-M, "Manual for the Department of Defense Food Service Program," November 1978
- (w) Joint Regulation DLAR 4140.60, AR 12-12, NAVMATINST 4355.72A, AFR 67-7 and MCO 4140.1C, "Processing Discrepancy Reports Against Foreign Military Sales Shipments," June 21, 1984
- (x) DoD 4000.25-7-M, "Military Standard Billing System (MILSBILLS)," January 1985
- (y) DoD Manual 5100.76, "Physical Security of Sensitive Conventional Arms, Ammunitions, and Explosives," September 1992
- (z) DoD Directive 5132.3, "DoD Policy and Responsibilities Relating to Security Assistance," March 10, 1981
- (aa) GAO Policy and Procedures Manual for Guidance of Federal Agencies Title 2--Accounting, Appendix II, Internal Control Standards
- (bb) DoD Directive 7045.13, "DoD Credit Management and Debt Collection Program," October 31, 1986

APPENDIX A - TRUST FUND ACCOUNTS**Account 1000****Assets**

Debit Balance. This account represents the total FMS Trust Fund Assets. It is a summary account equal to the sum of accounts 1010, 1100, and 1310.

This is a summary account.  
Do not post to this account.

**Account 1010****Fund Balance with Treasury**

Debit Balance. This account represents the net funds available to the DoD from FMS customer advances. The funds are deposited in account 11X8242. It is a summary account equal to the sum of accounts 1011 and 1012

DebitCredit

This account is a summary account.  
Do not post to this account.

**Account 1011**  
**Funds Collected**

Debit Balance. This account represents the funds received and on deposit in the Treasury due to payments from FMS customers. Account is subsidiary to Fund Balance with Treasury. Subsidiary ledgers shall be maintained for each FMS country program and include the amount identified as termination liability.

DebitCredit

1. Payments accepted from non-Federal Government activities

Contra: 2312

2. Collection of receivables.

Contra: 1310

Source of Entry: Cash collection vouchers, journal vouchers, or automated equivalents.



**APPENDIX A - TRUST FUND ACCOUNTS****Account 1012  
Funds Disbursed**

Credit Balance. This account represents amount of payments made (net of refunds, erroneous payments, and returns of advances), from the FMS Trust Fund. The account is subsidiary to Fund Balance with Treasury. Subsidiary ledgers shall be maintained for each FMS program.

Debit

1. Refunds received as overpayments.

Contra: 1315, 1316

Credit

1. Payments made in execution of the FMS program.

Contra: 2312

Source of Entry: Cash disbursement vouchers, journal vouchers, or automated equivalents.

**Account 1100  
Cash**

Debit Balance. This account represents funds available to the FMS Trust Fund that are not yet deposited in the U.S. Treasury. It is a summary account equal to the amount recorded in account 1110.

DebitCredit

This account is a summary account.  
Do not post to this account.

**Account 1110  
Undeposited Collections**

Debit Balance. This account represents the cash held in the Federal Reserve Bank investment and existing commercial bank accounts at the request of the FMS customers. (New commercial bank accounts are not authorized.) Applicable Federal Reserve Bank investment accounts are blocked and cash cannot be withdrawn by the customer. The SAAC can withdraw against the account for deposit to 11X8242 as required to meet Trust Fund requirements; no other payee is authorized. Funds in the account bear interest and the FMS customer is self-insured for any losses. Subaccounts shall be maintained for each FMS Program account.

DebitCredit

1. Collection.

Contra: 1313,2312

1. Deposition of undeposited collection, collections, deposit in Trust Fund.

Contra: 2312

Source of Entry: Collection records, certificates of deposit.

**APPENDIX A - TRUST FUND ACCOUNTS**

|  |  |              |               |  |  |  |   |
|--|--|--------------|---------------|--|--|--|---|
| <p style="text-align: center;"><b>Account 1310</b><br/><b>Accounts Receivable</b></p> <p><u>Debit Balance.</u> Amounts due from others to the FMS Trust Fund.</p> <table> <tr> <td style="text-align: center;"><u>Debit</u></td> <td style="text-align: center;"><u>Credit</u></td> </tr> <tr> <td></td> <td style="text-align: center;">This is a summary account.<br/>Do not post to this account.</td> </tr> </table>   |  | <u>Debit</u> | <u>Credit</u> |  | This is a summary account.<br>Do not post to this account. |  |   |
| <u>Debit</u>   | <u>Credit</u>  |              |               |  |  |  |   |
|  | This is a summary account.<br>Do not post to this account. |              |               |  |  |  |   |
| <p style="text-align: center;"><b>Account 1311</b><br/><b>Accounts Receivable-Government-Current</b></p> <p><u>Debit Balance.</u> This account represents the amounts due the FMS Trust Fund from U.S. Government sources. Applicable amounts may result from overpayment of customer funds to an Implementing Agency.</p> <table> <tr> <td style="text-align: center;"><u>Debit</u></td> <td style="text-align: center;"><u>Credit</u></td> </tr> <tr> <td>1. Amounts of payment.<br/>Contra: 2400</td> <td>1. Amount of collections received.<br/>Contra: 1011</td> </tr> <tr> <td></td> <td>2. Write-offs of accounts receivable.<br/>Contra: 1319</td> </tr> </table> <p>Source of Entry: Cash collection vouchers, DD Form 645 Billing Process.</p>                             |  | <u>Debit</u> | <u>Credit</u> | 1. Amounts of payment.<br>Contra: 2400   | 1. Amount of collections received.<br>Contra: 1011         |  | 2. Write-offs of accounts receivable.<br>Contra: 1319 |
| <u>Debit</u>   | <u>Credit</u>  |              |               |  |  |  |   |
| 1. Amounts of payment.<br>Contra: 2400   | 1. Amount of collections received.<br>Contra: 1011         |              |               |  |  |  |   |
|  | 2. Write-offs of accounts receivable.<br>Contra: 1319      |              |               |  |  |  |   |
| <p style="text-align: center;"><b>Account 1313</b><br/><b>Accounts Receivable-Public-Current</b></p> <p><u>Debit Balance.</u> The account represents the amount due the FMS Trust Fund from customers. This is a summary account equal to the sum of accounts 1313.1, 1313.2, and 1313.3.</p> <table> <tr> <td style="text-align: center;"><u>Debit</u></td> <td style="text-align: center;"><u>Credit</u></td> </tr> <tr> <td></td> <td style="text-align: center;">This is a summary account.<br/>Do not post to this account.</td> </tr> </table>   |  | <u>Debit</u> | <u>Credit</u> |  | This is a summary account.<br>Do not post to this account. |  |   |
| <u>Debit</u>   | <u>Credit</u>  |              |               |  |  |  |   |
|  | This is a summary account.<br>Do not post to this account. |              |               |  |  |  |   |
| <p style="text-align: center;"><b>Account 1313.1</b><br/><b>Accounts Receivable-Public-Current</b><br/><b>(Advances Receivable)</b></p> <p><u>Debit Balance.</u> The account represents the amount due the FMS Trust Fund from the customers. It is debited when the customer is billed and credited when payment is received. Subaccounts shall be maintained for each FMS country program.</p> <table> <tr> <td style="text-align: center;"><u>Debit</u></td> <td style="text-align: center;"><u>Credit</u></td> </tr> <tr> <td>1. Amounts earned and billed for goods and services furnished.<br/>Contra: 2400</td> <td>1. Amounts of collections received.<br/>Contra: 1011</td> </tr> </table> <p>Source of Entry: Cash collection vouchers or DD Form 645 Billing Process.</p> |  | <u>Debit</u> | <u>Credit</u> | 1. Amounts earned and billed for goods and services furnished.<br>Contra: 2400 | 1. Amounts of collections received.<br>Contra: 1011        |  |   |
| <u>Debit</u>   | <u>Credit</u>  |              |               |  |  |  |   |
| 1. Amounts earned and billed for goods and services furnished.<br>Contra: 2400   | 1. Amounts of collections received.<br>Contra: 1011        |              |               |  |  |  |   |

**APPENDIX A - TRUST FUND ACCOUNTS****Account 1313.2****Accounts Receivable-Public-Arrearages**

**Debit Balance.** The account represents the amount by which a country's total accrued costs exceed the country's total cash deposits. Amounts recorded equal the amount of the arrearage plus interest accrued from the date of the arrearage. Countries will be reported as having a "total amount outstanding" (arrearage) in column 3 of the TFS Form 4503 based on accrued expenditures recorded in column 10 exceeding the total of column 13 of the DD Form 645 on a net country basis (adjusted for over-collected cases) plus the country's cash resources (including holding accounts, interest bearing accounts, and undisbursed FMF) or the amount paid on the DSAA supplementary bill as adjusted by the preceding. The account is debited when the arrearage occurs and credited when the arrearage is settled. Subaccounts shall be maintained for FMS country programs with arrearages.

**Debit**

1. Amounts earned and billed for goods and services furnished.

Contra: 1313.1

2. Interest applied to arrearage amounts.

Contra: 2190

**Credit**

1. Amounts of collections received.

Contra: 1011

Source of Entry: Cash collection vouchers or DD Form 645 Billing Process.

**Account 1313.3****Accounts Receivable-Public-Current-Uncollectible**

**Debit Balance.** The account represents the amount due and unpaid by customers which has been officially declared uncollectible. It is credited when resolved and funding identified. Termination cost and interest applied to delinquent accounts will be debited to this account. Subaccounts shall be maintained for each FMS country program in this category. Within 90 days of a determination that a country program is uncollectible, DSAA will request a decision for disposition of the amount recorded from the DoD Comptroller.

**Debit**

1. Unpaid amounts of goods and services furnished.

Contra: 1313.1, 1313.2

2. Interest applied to unpaid amounts.

Contra: 2190

3. Termination Costs

Contra: 2400

**Credit**

1. Amounts of collections received.

Contra: 1011

Source of Entry: Official correspondence conveying a determination that the debt is uncollectible, documents from the DD Form 645 Billing Process, documents supporting interest calculations, and cash collection vouchers.

|  |               |
|--|---------------|
| <b>Account 2000</b>  |               |
| <b>Liabilities</b>   |               |
| <u>Credit Balance.</u> This account represents the total FMS Trust Fund Liabilities. |               |
| <u>Debit</u>   | <u>Credit</u> |
| This is a summary account.<br>Do not post to this account.                           |               |

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|   |               |
|---|---------------|
| <b>Account 2100</b>   |               |
| <b>Accrued Liabilities</b>  |               |
| <u>Credit Balance.</u> Represents the amounts DoD Components owe for goods and services ordered and received by other than employees. |               |
| <u>Debit</u>  | <u>Credit</u> |
| This account is a summary account.<br>Do not post to this account.  |               |

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|  |               |
|--|---------------|
| <b>Account 2110</b>  |               |
| <b>Accounts Payable</b>  |               |
| <u>Credit Balance.</u> This account represents the total amount due the public and U.S. Government Agencies from the Trust Fund. |               |
| <u>Debit</u>   | <u>Credit</u> |
| This is a summary account.<br>Do not post to this account.   |               |

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|   |   |
|---|---|
| <b>Account 2111</b>   |   |
| <b>Accounts Payable-Government-Current</b>  |   |
| <u>Credit Balance.</u> This account represents the amount due the U.S. Government Agencies from the Trust Fund. |   |
| <u>Debit</u>  | <u>Credit</u>   |
| 1. Payments liquidating<br>amounts owed.  | 1. Payment for goods,<br>services, and progress<br>payments on FMS cases. |
| Contra: 1012  | Contra: 2312  |
| Source of Entry: RE Transaction, Status of Allotment Report<br>and reimbursable delivery transactions.          |   |

APPENDIX A - TRUST FUND ACCOUNTS

| <p style="text-align: center;"><b>Account 2112</b><br/><b>Accounts Payable-Government-NonCurrent</b></p> <p><u>Credit Balance:</u> Represents amounts owed to U.S. Government Agencies or funds that will not be paid with 1 year.</p> <p>1. Change in a current payable<br/>Contra: 2111</p>  |  |              |               |  |  |              |              |
|--|--|--------------|---------------|--|--|--------------|--------------|
| <p style="text-align: center;"><b>Account 2113</b><br/><b>Accounts Payable-Public-Current</b></p> <p><u>Credit Balance.</u> Amounts due the public from the FMS Trust Fund.</p> <table> <tr> <th style="text-align: center;"><u>Debit</u></th><th style="text-align: center;"><u>Credit</u></th></tr> <tr> <td>1. Payments liquidating amounts owed.</td><td>1. Payment for goods services, and progress payments on FMS cases.</td></tr> <tr> <td>Contra: 1012</td><td>Contra: 2312</td></tr> </table> <p>Source of Entry: RE Transaction (Status of Allotment Report).</p>   |  | <u>Debit</u> | <u>Credit</u> | 1. Payments liquidating amounts owed.  | 1. Payment for goods services, and progress payments on FMS cases. | Contra: 1012 | Contra: 2312 |
| <u>Debit</u>   | <u>Credit</u>  |              |               |  |  |              |              |
| 1. Payments liquidating amounts owed.  | 1. Payment for goods services, and progress payments on FMS cases. |              |               |  |  |              |              |
| Contra: 1012   | Contra: 2312   |              |               |  |  |              |              |
| <p style="text-align: center;"><b>Account 2190</b><br/><b>Other Accrued Liabilities</b></p> <p><u>Credit Balance.</u> Represents amounts owed to DoD implementing activities for expenditures on foreign military sales cases for which reimbursement from FMS customers appears doubtful. Includes interest which is accrued on delinquent accounts receivable and payable to the U.S. Treasury.</p> <table> <tr> <th style="text-align: center;"><u>Debit</u></th><th style="text-align: center;"><u>Credit</u></th></tr> <tr> <td>1. Payments liquidating amounts owed.</td><td>1. Payment for goods services, and progress payments on FMS cases.</td></tr> <tr> <td>Contra: 1012</td><td>Contra: 2312</td></tr> </table> <p>Source of Entry: RE Transaction (Status of Allotment Report).</p> |  | <u>Debit</u> | <u>Credit</u> | 1. Payments liquidating amounts owed.  | 1. Payment for goods services, and progress payments on FMS cases. | Contra: 1012 | Contra: 2312 |
| <u>Debit</u>   | <u>Credit</u>  |              |               |  |  |              |              |
| 1. Payments liquidating amounts owed.  | 1. Payment for goods services, and progress payments on FMS cases. |              |               |  |  |              |              |
| Contra: 1012   | Contra: 2312   |              |               |  |  |              |              |
| <p style="text-align: center;"><b>Account 2310</b><br/><b>Advances From Others</b></p> <p><u>Credit Balance.</u> This account represents the amount of unearned cash advances received from FMS customers.</p> <table> <tr> <th style="text-align: center;"><u>Debit</u></th><th style="text-align: center;"><u>Credit</u></th></tr> <tr> <td colspan="2"> <p style="text-align: center;">This account is a summary account.<br/>Do not post to this account.</p> </td></tr> </table>  |  | <u>Debit</u> | <u>Credit</u> | <p style="text-align: center;">This account is a summary account.<br/>Do not post to this account.</p> |  |              |              |
| <u>Debit</u>   | <u>Credit</u>  |              |               |  |  |              |              |
| <p style="text-align: center;">This account is a summary account.<br/>Do not post to this account.</p>   |  |              |               |  |  |              |              |

**APPENDIX A - TRUST FUND ACCOUNTS**

**Account 2312**  
**Unearned Revenue-Advances from Public**

Credit Balance. This account represents cash advances received from FMS customers.

Debit

1. Payments made on behalf of FMS customers.

Contra: 1012

2. Identification of payables.

Contra 2112, 2113

Credit

1. Amounts received from FMS customers either as initial deposits or collections

Contra 1011

Source of Entry: Cash collection vouchers, journal vouchers, or automated equivalents.

**Account 2400**  
**Liability for Deposit Funds/Suspense Accounts**

Credit Balance. This suspense account represents anticipated FMS cash requirements. It is credited when a customer is billed and debited when payment is made.

Debit

1. Payment received for deposit in the Trust Fund.

Contra: 1313

Credit

1. Account Receivable recorded for amount billed.

Contra: 1313

Source of Entry: DD 645 Billing Process

**Account 3000**  
**Trust Fund Equity**

Credit Balance. Represents the difference between the assets and liabilities of the FMS Trust Fund. No balance is authorized to be reflected in this account.

DebitCredit

This account is a summary account.  
 Do not post to this account.

**APPENDIX A - TRUST FUND ACCOUNTS****Account 4000****Budgetary**

Debit Balance. Summary account to reflect budgetary operations and conditions from the time FMS Trust Fund revenues are realized until they are expended.

DebitCredit

This is a summary account.  
Do not post to this account.

**Account 4130****Contract Authority**

Debit Balance. Represents the amount of authority under which contracts may be executed in advance of the receipt of an appropriation, or in excess of amounts otherwise available in a revolving fund.

DebitCredit

This is a summary account.  
Do not post to this account.

**Account 4131****Contract Authority-Without Liquidating Appropriation**

Debit Balance. Represents the amount of contract authority authorized by FMS orders, less the amount of contract liquidating authority that has been realized (paid) by FMS customers.

DebitCredit

1. Amount of contract authority  
received in the form of FMS orders.

1. Amount of contract  
liquidating authority  
paid by FMS customers.

Contra: 4450

Contra: 4132

Source of Entry: FMS Letters of Offer and Acceptance and DD Forms 2060, (Part A Columns 10 plus 11) or automated equivalent "RB". Collection vouchers or automated equivalents.

**APPENDIX-A - TRUST FUND ACCOUNTS**

**Account 4132**  
**Contract Authority-With Liquidating Appropriation**

**Debit Balance.** Represents the amount of contract liquidating authority that has been realized as the result of payments made on FMS cases (orders) by foreign purchasers.

DebitCredit

1. Amount of contract authority realized.

1. Amount of collections.

Contra: 4131

Contra: 4543

Source of Entry: Collection vouchers or automated equivalents.

**Account 4150**  
**Other New Budget Authority**  
**(Uncommitted Acceptances)**

**Debit Balance.** Amounts recorded in this account represent uncommitted acceptances pending requests for obligational authority from Implementing Activities. Budget authority is recognized in Treasury Account 97-11X8242, "Advances, Foreign Military Sales, Executive," only to the extent that orders will be executed during the current year.

DebitCredit

1. Amount of new budget authority enacted but not required in the current fiscal year.

1. Amount of request for obligational authority via a DD Form 2060.

Contra: 4131

Contra: 4450

Source of Entry: FMS Letters of Offer and Acceptance and DD Forms 2060, or automated equivalents.



**APPENDIX A - TRUST FUND ACCOUNTS****Account 4450****Authority Available (for Apportionment)**

**Credit Balance.** Represents the amount of new budget authority available as a result of SAAC's receipt of a signed Letter of Offer and an initial deposit from a foreign military sales customer. Trust Funds are exempted from apportionment on DD Form 1105 in accordance with paragraph 412.2.B.5. of DoD 7110.1-M.

**Debit**

1. Amount of funds transferred to implementing Agencies in the current year.

Contra: 4516

**Credit**

1. Amount of contract authority (total case value) received.

Contra: 4131

Source of Entry: FMS Letters of Offer and Acceptance and DD Forms 2060 or automated equivalents.

**Account 4516****Unallocated Unfunded Contract Authority**

**Credit Balance.** Represents the amount of unfunded contract authority (authorized by accepted customer orders).

**Debit**

1. Contract Authority

Contra: 4541

**Credit**

1. Receipt of unfunded allocations. contract authority.

Contra: 4450

Source of Entry: Total of part A of DD Form 2060, or automated equivalent (RBI).

APPENDIX A - TRUST FUND ACCOUNTS**Account 4541****Allocations Issued Direct Program-Current Year**

Credit Balance. Represents the amount of current period, direct program, obligational authority allocated from departmental level to intermediate levels.

Debit

1. Amounts of reductions in allocations issued.

Contra: 4516

2. Completion of the FMS case.

Contra: 4132

Source of Entry: Total of DD Form 2060, columns 10 and or 11 or automated equivalent.

Credit

1. Amounts of allocations issued.

Contra: 4516

**Account 4580****Allotments Received (Issued to the Implementing Activities)**

Debit Balance. Represents the amount of direct program, allotments issued to Implementing Activities. At Trust Fund level it is the amount of budget authority requested by Implementing Activities that has been approved by the SAAC.

Debit

1. Amounts of reductions in allocations issued.

Contra: 4516

2. Completion of the FMS case.

Contra: 4132

Source of Entry: Total of DD Form 2060, columns 10 and or 11 or automated equivalent.

Credit

1. Amounts of allocations issued.

Contra: 4516

APPENDIX A - TRUST FUND ACCOUNTS

**Account 4611**  
**Uncommitted/Unobligated Allotments-Direct (FMS) Program**  
**-Current Period**

Credit Balance. Represents the amount of direct program authority received by the Implementing Activities for the current period, but for which they have not yet reported as committed or obligated.

Debit

1. Amounts committed.

Contra: 4710

2. Amounts obligated  
without a prior commitment.

Contra:       4810  
              4910  
              4931

Credit

1. The amount of direct  
program obligational authority  
received by the IAs.

Contra: 4580

Source of Entry: DD Form 2060, Status of Allotment Report, cash disbursements, or automated equivalent (REI).

**Account 4710**  
**Outstanding Commitments-Direct (FMS) Program**

Credit Balance. Represents the amount of direct (FMS) program unobligated commitments.

Debit

1. Amounts of other valid  
obligating documents for  
which a commitment was made.

Contra: 4811

Credit

1. Amount of commitments  
reported by the Implementing  
Agencies.

Contra: 4611

Source of Entry: DD Form 2060, Status of Allotment Report or automated equivalent (REI).

**APPENDIX A - TRUST FUND ACCOUNTS**

|  |   |
|--|---|
| <p style="text-align: center;"><b>Account 4811</b><br/><b>Undelivered Orders-Without Advance Direct (FMS) Program</b></p> <p><u>Credit Balance.</u> Represents the amount of direct program orders issued without advance payment for goods and services for which delivery or performance has not been reported as having occurred.</p> |   |
| <u>Debit</u>   | <u>Credit</u>   |
| 1. Amounts of progress payments made or reimbursable obligations reported for undelivered orders.  | 1. Amounts of orders, contracts, or other obligating documents issued and reported without advance payment to the Implementing Agency |
| Contra: 4910<br>4931   | Contra: 4710  |
| Source of Entry: DD Form 2060, Status of Allotment or automated equivalent, disbursement documents or automated equivalent accounts payable entries (REI).   |   |
| <p style="text-align: center;"><b>Account 4900</b><br/><b>Expended Appropriations</b></p> <p><u>Credit Balance.</u> This account represents amounts paid and unpaid expenditures incurred by the Trust Fund. It is a summary account equal to the sum of Accounts 4910 and 4931.</p>   |   |
| <u>Debit</u>   | <u>Credit</u>   |
| <p>This account is a summary account.<br/>Do not post to this account.</p>   |   |
| <p style="text-align: center;"><b>Account 4910</b><br/><b>Accrued Expenditures-Unpaid-Direct Program</b></p> <p><u>Credit Balance.</u> Represents the amount of direct program goods and services reported as received against the FMS program for which payment has not been made by the FMS Trust Fund.</p>                            |   |
| <u>Debit</u>   | <u>Credit</u>   |
| 1. Amount of goods and services reported for which payment has been made to the Implementing Agency.   | 1. Amounts of goods and services reported by the IAs for which payment has not been made.   |
| Contra: 4931   | Contra: 4811  |
| Source of Entry: Status of Allotment Report or automated equivalent or accounts payable entries (REI).   |   |

APPENDIX A - TRUST FUND ACCOUNTS**Account 4931****Accrued Expenditures-Paid-Direct (FMS) Program**

Credit Balance. Represents the amount of direct programs goods and services reported as received and for which payment has been made.

Debit

1. Final value of FMS Customer orders completed and reported at case closure.

Contra: 4611

Credit

1. Amounts of goods and services reported for which payment has been made to the IAs.

Contra: 4811

Source of Entry: Disbursement documents and automated Status of Allotment Reports, (REI) and Final Case Closure Certificates.

APPENDIX B - NONRECURRING COSTS RECOUPMENT CHARGESMAJOR DEFENSE EQUIPMENT

| Item Description   | Approved Charge | Effective <sup>c,d</sup> Date |
|--|-----------------|-------------------------------|
| <u>CATEGORY I - FIREARMS</u>                               |                 |                               |
| Rifle, 5.56mm M-16 Series (A)                              | [No Charge]     |                               |
| Gun, Machine, 7.62mm, M240 (A)                             | 65.07           | 28 Mar 89                     |
| Gun, Machine, 50 CAL, M-2 (A)                              | 1.82            | 28 Mar 89                     |
| <u>CATEGORY II - ARTILLERY AND PROJECTILES</u>             |                 |                               |
| Gun, M-61, 20mm (AF)                                       | 1,342.00        | 6 Dec 84                      |
| Gun, GAU-8, 30mm (AF)                                      | 27,881.00       | 22 Jan 81                     |
| Gun Pod, GPU-5/A, 30mm (AF)                                | 60,239.00       | 11 Aug 82                     |
| Howitzer, Towed, 105mm, M101A1 (A)                         | 850.00          | 11 Jun 87                     |
| Howitzer, Towed, 155mm, M198 (A)                           | 47,483.00       | 14 Feb 86                     |
| <u>CATEGORY III - AMMUNITION</u>                           |                 |                               |
| Cartridge, 20mm (A)  | (a)             |                               |
| Cartridge, 30mm (GAU-8) (AF)                               | .50             | 28 Mar 89                     |
| Cartridge, 40mm, HE (A)                                    | .11             | 28 Mar 89                     |
| Cartridge, 40mm, HE, M406 (A)                              | .01             |                               |
| Cartridge, 40mm, M385 Dummy                                | .19             | 15 May 91                     |
| Cartridge, 40mm, FXD HEDP M433 SNGL RD 72/BX (A)           | .43             | 15 May 91                     |
| Cartridge, 60mm, HE (A)                                    | .47             | 28 Mar 89                     |
| Cartridge, 60mm, HE, M49A2/A3/A4 (A)                       | (a)             |                               |
| Cartridge, 60mm, HE, M720 W/FMO M734 (LAP) (A)             | 5.00            | 15 May 91                     |
| Cartridge, 81mm, ILLUM (M301)(only) (A)                    | .04             | 7 May 81                      |
| Cartridge, 81mm, HE, M374A2/A3 (A)                         | (a)             |                               |
| Cartridge, 81mm, HE, M374A3 W/M567 Fuze (A)                | 3.24            | 15 May 91                     |
| Cartridge, 105mm, APFSDS-T M735 (A)                        | 68.00           | 28 Mar 89                     |
| Cartridge, 105mm, APFSDS-T M833                            | 88.00           | 5 Jul 91                      |
| Cartridge, 105mm, M490 (A)                                 | .57             | 7 May 81                      |
| Cartridge, 105mm, M724A1 (A)                               | 1.42            | 7 May 81                      |
| Cartridge, 105mm, APFSDS-T M774 (A)                        | (a)             |                               |
| Cartridge, 105mm, APFSDS-T M774 2/BX (A)                   | 24.00           | 15 May 91                     |
| Cartridge, 105mm, HEAT-T MP M456 (A)                       | 3.59            | 7 May 81                      |
| Cartridge, 105mm, HE, HEP-T, M393A2 (A)                    | (a)             |                               |
| Cartridge, 4.2", M329A2 w/o Fuze w/old Obturator (LAP) (A) | 4.08            | 15 May 91                     |
| Cartridge, 4.2", HE (A)                                    | (a)             |                               |
| Cartridge, 4.2", HE, M329 (A)                              | (a)             |                               |
| Cartridge, 4.2", ILLUM (M335)(includes M577 fuze) (A)      | 4.03            | 20 Jan 82                     |
| Cartridge, 120mm, APFSDS-T M829 (A)                        | 126.60          | 2 Dec 88                      |
| Cartridge, 120mm, TPCSDS-T M865 (A)                        | 37.82           | 2 Dec 88                      |
| Cartridge, 120mm, HEAT TP-T M831 (A)                       | 83.03           | 2 Dec 88                      |
| Cartridge, 120mm, HEAT MP-T M830 (A)                       | 293.59          | 2 Dec 88                      |
| Grenade, M42 (A)   | .01             | 10 May 91                     |
| Projectile, 5"/38 CAL (N)                                  | 15.60           | 9 Jul 84                      |
| Projectile, 5"/54 CAL (N)                                  | 74.42           | 4 May 84                      |
| Projectile, 155mm, M107 (A)                                | 3.22            | 21 May 79                     |

|   |          |           |
|---|----------|-----------|
| Projectile, 155mm, M483/M483A1 (A)            | 2.20     | 2 Mar 82  |
| Projectile, 155mm, HE RAP (M549) (A)          | 13.76    | 5 Feb 81  |
| Projectile, 155mm, CLGP, M-712 COPPERHEAD (A) | 4,152.00 | 17 Sep 81 |
| Projectile, 155mm, HE, ADAM M692/M731 (A)     | 111.00   | 30 May 86 |
| Projectile, 155mm, HE, ADAM M692(A)           | 434.00   | 23 Nov 82 |
| Projectile, 155mm, HE, ADAM M731 (A)          | 228.00   | 23 Nov 82 |
| Projectile, 155mm, HE, RAAMS M718 (A)         | 229.00   | 23 Nov 82 |
| Projectile, 155mm, HE, RAAMS M741 (A)         | 99.00    | 23 Nov 82 |
| Projectile, 155mm, HE, RAAMS M718/M741 (A)    | 57.00    | 30 May 86 |
| Projectile, 155mm, M483A1 (A)                 | 2.41     | 10 Sep 80 |
| Projectile, 175mm, HE M437 (A)                | 2.33     | 26 Mar 80 |
| Projectile, 8", HE M106 (A)                   | .04      | 21 May 79 |
| Projectile, 8", HE, ICM (A)                   | 15.48    | 21 May 79 |
| Projectile, 8", HE, ICM M509 (A)              | (a)      |           |
| Projectile, 8", HE, M650 (A)                  | 83.04    | 21 May 79 |

**CATEGORY IV - LAUNCH VEHICLES, GUIDED****MISSILES, BALLISTIC MISSILES, ROCKETS,  
TORPEDOES, BOMBS, AND MINES**

|  |              |                 |
|--|--------------|-----------------|
| Bomb, Anti-Armor Cluster Munition CBU-90 (AF)                                      | 3,351.00     | 28 Mar 89       |
| Bomb, Combined Effects Bomblet, CBU-87 (AF)  | 1,080.00     | 6 Dec 84        |
| Bomb, Cluster, TMD/Gator Mines, CBU-89 (N)   | (a)          |                 |
| Bomb, MK-20, Cluster Bomb, Rockeye (N)   | 117.39       | 25 Mar 83       |
| Bomb, MK-82, 500#, General Purpose (N)   | 3.29         | 25 Mar 83       |
| Bomb, MK-83, 1,000#, General Purpose (N)   | 10.40        | 25 Mar 83       |
| Bomb, MK-84, 2,000#, General Purpose (N)   | 12.80        | 25 Mar 83       |
| Bomb, BLU-109 with FMU-143/B Fuze  | 1,097.00     | 18 May 89       |
| Bomb, BLU-109 with FMU-143/B Fuze  | 889.00       | 24 Oct 90       |
| Bomb, BLU-109 with FMU-143B/B Fuze   | 847.00       | 24 Oct 90       |
| Bomb, BLU-109 w/o Fuze   | 747.00       | 18 May 89       |
| Bomb, M-117, 750#, General Purpose (AF)  | 20.00        | 6 Dec 84        |
| Bomb, Guided, Walleye Series (N)   | 6,183.00     | 6 Dec 84        |
| Fuel Air Explosive Weapon, FAE II (N)  | (a)          |                 |
| Gun Mount, 5"/54, MK-45 MOD I (N)  | 142,566.00   | 1 Oct 84        |
| Gun Mount, 76mm Gun, MK-75 (N)   | 62,749.00    | 6 Dec 84        |
| Launcher, HARPOON, Baseline, AN/SWG-1(V) (N)                                       | 80,562.00    | 20 Jan 78       |
| Launcher System, HARPOON Shipboard Command<br>and Launch Control, AN/SWG-1A(V) (N) | 109,603.00   | 11 Dec 86       |
| Launcher, Hellfire (A)   | 14,715.00    | 14 May 85       |
| Launcher, TOW (A)  | 3,029.00     | 16 Sep 77       |
| Launcher, MK-13 (MOD 0 to MOD 3)(N)  | 78,125.00    | 17 Nov 78       |
| Launcher, PATRIOT (A)  | 214,782.00   | 18 Nov 78       |
| Launcher, Roland (A)   | 324,828.00   | 24 Sep 80       |
| Launcher, Multiple Launch Rocket System (MLRS) (A)                                 | 132,400.00   | (prior to 1985) |
| Launcher, Multiple Launch Rocket System (MLRS) (A)                                 | 173,000.00   | 2 Dec 85        |
| Launcher, Vertical, MK-41(w/o canister) (N)  | 1,232,863.00 | 14 Dec 87       |
| Launcher, Vertical, MK-41(w/canister) (N)  | 1,239,246.00 | 14 Dec 87       |
| Launcher, Eight Cell, MK-41 (N)  | 154,108.00   | Nov 89          |
| Launcher, MK-41 VLS w/RIM-7P Capability (N)  | 279,638.00   | 5 Nov 91        |
| (Additive to Eight Cell Launcher)  |              |                 |
| Launcher, MK-41 VLS canister only (MK-13/15)                                       | 6,383.00     | Nov 89          |
| Launcher, LAU-127/A (F/A-18 Aircraft)  | 3,530.00     | 22 Jan 92       |

|  |            |                 |
|--|------------|-----------------|
| Launcher, LAU-128/A (F-15 Aircraft)  | 3,530.00   | 22 Jan 92       |
| Launcher, LAU-129/A (F-16 Aircraft)  | 3,530.00   | 22 Jan 92       |
| Light, Antitank Weapon, 66mm, LAW M72 Series (A)                                 | 1.32       | 28 Mar 89       |
| Mine Canister, M87 (Volcano) (A)   | 270.00     | 15 May 91       |
| Missile, Advanced Medium Range (N)   | (e)        | (N/A)           |
| Missile, AIM-4A-G, Falcon (AF)   | 3,321.00   | 12 Mar 82       |
| Missile, AIM-7, Skyflash Portion (N)   | 820.30     | 7 May 81        |
| Missile, AIM-7, C/D/E Sparrow (N)  | 2,733.00   | 7 May 81        |
| Missile, AIM/RIM-7F/M, Sparrow (N)   | 7,646.00   | 2 Jun 82        |
| Missile, AIM/RIM-7P (N)  | 40,258.00  | 24 Apr 91       |
| Missile, NATO SEASPARROW Surface Missile System (NSSMS) (N)                      | (a)        |                 |
| Missile, AIM-9 J/P/N, SIDEWINDER (AF)  | 333.00     | 12 Mar 82       |
| Missile, AIM-9L SIDEWINDER (N)   | 2,604.00   | 18 May 78       |
| Missile, AIM-9H SIDEWINDER (N)   | 3,457.00   | 26 Oct 78       |
| Missile, AIM-9M SIDEWINDER (N)   | 6,368.00   | 25 Mar 83       |
| Missile, AIM-54A-C, PHOENIX (N)  | 71,295.00  | 10 Jan 83       |
| (Includes Front End - 35,019; Aft End - 36,276)                                  |            |                 |
| Missile, AIM-120, AMRAAM (AF)  | 114,182.00 | 22 Jan 92       |
| Missile, AMRAAM Air Vehicle Instrumented (AAVI)                                  | 114,182.00 | 22 Jan 92       |
| Missile, AGM-45, Shrike (N)  | 4,890.00   | 11 Aug 78       |
| Missile, AGM-65A/B, Maverick (AF)  | 3,722.00   | 3 Feb 81        |
| Missile, AGM-65D (AF)  | 3,811.00   | (prior to 1987) |
| Missile, AGM-65D (AF)  | 5,343.00   | 3 Nov 87        |
| Missile, AGM-65E, Laser Maverick (AF)  | 24,213.00  | 6 Dec 84        |
| Missile, AGM-65F MAVERICK (AF)   | 6,331.00   | 3 Nov 87        |
| Missile, AGM-88, Harm (N)  | 21,249.00  | 20 Apr 82       |
| Army Tactical Missile System (ATACMS)(A)   | 148,275.00 | 1 Oct 88        |
| Missile, MIM-72 Chaparral Series (A)   | 5,445.00   | 10 Nov 79       |
| Missile, MIM-72 Chaparral Series (A)   | 2,099.91   | 16 Dec 88       |
| Missile, MIM-72 Chaparral (w/smokeless motor) (A)                                | 2,102.91   | 16 Dec 88       |
| Missile, Dragon, HEAT and Practice (A)   | 378.00     | 24 Mar 80       |
| Missile, R/U/AGM-84 Harpoon (N)  | 44,083.00  | 20 Jan 78       |
| Missile, HELLFIRE, Heat (A)  | 4,124.00   | 14 May 85       |
| Missile, HELLFIRE, Dummy (A)   | 531.00     | 14 May 85       |
| Missile, HELLFIRE, Training (A)  | 2,719.00   | 14 May 85       |
| Missile, High Value Site Defense (HVSD)(commercial derivative of the PHALANX)(N) | 164,070.00 | 15 May 91       |
| Missile, I-Hawk Series (A)   | 7,053.00   | 12 Nov 80       |
| Missile, Lance (A)   | 76,205.00  | 21 May 79       |
| Missile, Nike Hercules (A)   | 448,055.00 | 28 Mar 89       |
| Missile, MIM-104 Patriot (includes canister) (A)                                 | 82,836.00  | 18 Nov 82       |
| Missile, Pershing Series (A)   | 128,378.00 |                 |
| Missile, Redeye (A)  | (a)        |                 |
| Missile, Roland (A)  | 4,422.00   | 24 Sep 80       |
| Missile, SURE Defense, RBS-17 (Derivative of HELLFIRE) (A)                       | 3,300.00   | 20 May 87       |
| Missile, AGM-78, Standard ARM (N)  | (a)        |                 |
| Missile, RGM-66D, Standard ARM, MR (N)   | (a)        |                 |
| Missile, RIM-66B-2--66B, RIM-66E(MR), RIM-67A-13(ER), Block V Standard SM-I (N)  | 12,602.00  | 15 Sep 77       |
| Missile, RIM-66D and RIM-67B Standard II,  |            |                 |



|   |            |           |
|---|------------|-----------|
| MR, ER, SM-2 (N)  | 89,651.00  | 6 Dec 84  |
| Missile, 5" Rolling Airframe, RAM, X-RIM-116A (N)                         | (a)        |           |
| Missile, SLAM (Standoff Land Attack Missile) (N)                          | (e)        | (N/A)     |
| Missile, Standard (SM-2) (MR/ER) Block II (N)                             | 40,253.00  | 21 Apr 89 |
| Missile, Standard (SM-2) BLK I RIM 66G/H/I (N)                            | 64,192.00  | 22 Jul 91 |
| Missile, Standard (SM-2) BLK II RIM 66G/H/I (N)                           | 25,423.00  | 22 Jul 91 |
| Missile, Standard (SM-2) BLK III RIM 66G/H/I (N)                          | 38,695.00  | 22 Jul 91 |
| Missile, Stinger (A)  | 5,480.00   | 28 Jul 79 |
| Missile, Stinger (Basic)(A)   | 7,600.00   | 20 Dec 88 |
| Missile, Stinger (Basic)(A)   | 3,800.00   | 3 May 91  |
| Missile, Stinger (Post)(A)  | 302,200.00 | 20 Dec 88 |
| Missile, Stinger (Post)(A)  | 66,100.00  | 3 May 91  |
| Missile, Stinger (RMP)(A)   | 3,700.00   | 20 Dec 88 |
| Missile, Stinger (RMP)(A)   | 3,000.00   | 3 May 91  |
| Missile, Surface Launch (SLM) SM-2 Derivative                             | 32,695.00  | 22 Jul 91 |
| Missile, Tomahawk (N)   | (a)        |           |
| Missile, BGM-71A, Basic TOW HEAT and Practice (A)                         | 293.00     | 16 Sep 77 |
| Missile, I-TOW (A)  | 487.00     | 3 Nov 81  |
| Missile, BGM-71D, TOW II (A)  | 658.00     | 19 Dec 83 |
| Missile, M-65 Subsystem, Airborne TOW (A)                                 | 28,578.00  | 7 May 81  |
| Missile, M-65 Subsystem, Airborne TOW (A)                                 | 27,800.00  | 17 May 89 |
| Rocket, Antisubmarine, ASROC (N)  | 855.00     | 20 Dec 84 |
| Rocket, Antisubmarine, ASROC (RUM-139A) (N)                               | 923.00     | (N/A)     |
| Rocket, 2.75" Series (A)  | .87        | 26 Mar 80 |
| Rocket, M-77, Multiple Launch Rocket System (MLRS)                        |            |           |
| Tactical, Practice, and Training (A)                                      | 615.00     | 2 Dec 85  |
| Rocket, Vertical Launch Anti-Submarine Rocket (VLA)(N)                    | 98,926.00  | 14 Dec 87 |
| Torpedo, MK-46 MOD 2 (N)  | 8,993.00   | 28 Mar 89 |
| Torpedo, MK-46, NEARTIP O/A Kit<br>(Converts MK-46 MODs 1/2 to MOD 5) (N) | 3,795.00   | 26 Jan 80 |
| Torpedo, MK-46 MOD 5 (N)  | 9,308.00   |           |
| Torpedo, MK-48 (N)  | 86,255.00  | 21 Jul 77 |
| Torpedo, MK-48 ADCAP Kit (N)  | 103,322.00 | 25 Nov 80 |

**CATEGORY V - PROPELLANTS, EXPLOSIVES****AND INCENDIARY AGENTS**

|                  |     |           |
|------------------|-----|-----------|
| Grenade, M42 (A) | .01 | 25 Apr 91 |
|------------------|-----|-----------|

**CATEGORY VI - VESSELS OF WAR AND****SPECIAL NAVAL EQUIPMENT**

|                                    |              |           |
|------------------------------------|--------------|-----------|
| CG - Guided Missile Cruiser (N)    | (a)          |           |
| DD-963 (N)                         | (a)          |           |
| DD - Destroyer (N)                 | (a)          |           |
| DDG - Guided Missile Destroyer (N) | (a)          |           |
| FF-1, USS BROOKE                   | 1,275,485.00 | 21 Apr 89 |
| FF-2, USS RANSEY                   | 1,101,730.00 | 21 Apr 89 |
| FF-3, USS SCHOFIELD                | 1,041,670.00 | 21 Apr 89 |
| FF-4, USS TALBOT                   | 1,059,345.00 | 21 Apr 89 |
| FF-5, USS RICHARD L. PAGE          | 886,235.00   | 21 Apr 89 |
| FF-1041, USS BRADLEY               | 754,810.00   | 24 Apr 89 |
| FF-1043, USS EDWARD McDONNELL      | 767,525.00   | 24 Apr 89 |
| FF-1047, USS VOGUE                 | 1,597,365.00 | 24 Apr 89 |

|  |              |           |
|--|--------------|-----------|
| FF-1048, USS SAMPLE  | 703,430.00   | 24 Apr 89 |
| FF-1050, USS ALBERT DAVID                                      | 689,885.00   | 24 Apr 89 |
| FF-1051, USS O'CALLAHAN  | 629,895.00   | 24 Apr 89 |
| FFG - Guided Missile Frigate (N)                               | 3,591,379.00 | 18 Oct 78 |
| LCAC - Landing Craft Air Cushion (N)                           | (a)          |           |
| LHD - Amphibious Assault Ship (N)                              | (a)          |           |
| LPD - Amphibious Transport Dock (N)                            | (b)          |           |
| LSD - Dock Landing Ship (N)                                    | (b)          |           |
| LST - Tank Landing Ship (Newport Class)(N)                     | 824,840.00   | 25 Jan 84 |
| LKA - Amphibious Cargo Ship (N)                                | (b)          |           |
| LPA - General Purpose Amphibious Assault Ship (N)              | (b)          |           |
| MSO - Minesweeper, Ocean, Nonmagnetic (N)                      | (b)          |           |
| PHM - Patrol Combatant Missile, (NATO)                         |              |           |
| Hydrofoil (N)  | 1,000,000.00 | 28 Mar 89 |
| PHM - Patrol Combatant Missile,<br>(FRG Variant) Hydrofoil (N) | 1,250,000.00 | 28 Mar 89 |
| SS - Submarine, Conventionally Powered (N)                     | (b)          |           |

**CATEGORY VII - TANKS AND MILITARY VEHICLES**

|   |            |           |
|---|------------|-----------|
| Carrier, Armored Personnel, M-113 Series (A)                                | 688.00     | 11 Sep 78 |
| Carrier, Mortar, M-106A1/2 (A)  | 688.00     | 11 Sep 78 |
| Carrier, Mortar, M-125A1 (A)  | 688.00     | 11 Sep 78 |
| Carrier, M-667, LANCE (A)   | 688.00     | 11 Sep 78 |
| Carrier, M-730, CHAPARRALL (A)  | 688.00     | 11 Sep 78 |
| Carrier, M-741, VULCAN (A)  | 688.00     | 11 Sep 78 |
| Carrier, M-727, HAWK (A)  | 688.00     | 11 Sep 78 |
| Carrier, Cargo, M-548 Series (A)  | 688.00     | 11 Sep 78 |
| Carrier, Command Post, M-577 Series (A)                                     | 688.00     | 11 Sep 78 |
| Gun, Self-propelled, 175mm, M-107 (A)                                       | 40,258.00  | 26 Mar 80 |
| Howitzer, Self-propelled, 8", M-110 (A)                                     | 14,371.00  | 26 Mar 80 |
| Howitzer, Self-propelled, 8", M-110A1 (A)                                   | 16,975.00  | 26 Mar 80 |
| Howitzer, Self-propelled, 8", M-110A2 (A)                                   | 21,069.00  | 26 Mar 80 |
| Howitzer, Self-propelled, 155mm, M-109 Series (A)                           | 5,636.00   | 26 Mar 80 |
| Howitzer, Self-propelled, 155mm, M-109A1-A3<br>includes cannon assembly (A) | 8,771.00   | 23 Jun 87 |
| Howitzer, Self-propelled, 155mm, M-109A1-A3<br>without cannon assembly (A)  | 7,447.00   | 23 Jun 87 |
| Howitzer, Med, Towed, 155mm, M-198 (A)                                      | 47,483.00  | 14 Feb 86 |
| Howitzer, Med, Towed, 155mm, M-198 (A)                                      | 80,876.00  | 21 May 79 |
| Tank, M-48A1 (A)  | 1,479.00   |           |
| Tank, M-48A3 (A)  | 5,521.00   |           |
| Tank, M-48A5 (A)  | 12,849.00  |           |
| Tank, M-60A1 (A)  | 14,083.00  | 3 Mar 80  |
| Tank, M-60A3 w/TTS (A)  | 31,427.00  | 3 Mar 80  |
| Tank, M-60A3 w/o TTS (A)  | 21,939.00  | 3 Mar 80  |
| Tank, M-1, ABRAMS (A)   | 132,162.00 | 20 Aug 84 |
| Tank, M-1, ABRAMS (A)   | 114,443.00 | 27 Oct 88 |
| Tank, M-1A1 (A)   | 237,048.00 | 20 Aug 84 |
| Tank, M-1A1 (A)   | 226,725.00 | 27 Oct 88 |
| Tank Engine, AVDS-1790 (M60A1 Tank)(A)                                      | 2,066.00   | 3 Mar 80  |
| Transmission, HMPT 500-3, Bradley (AS)                                      | 3,564.00   | 5 Apr 91  |
| Vehicle, AAV7A1/AAVAI Assault Amphibious (N)                                | 91,426.00  | 20 Apr 82 |

|   |            |           |
|---|------------|-----------|
| Vehicle, Armored Reconnaissance Assault, M-551 (A)  | 33,213.00  |           |
| Vehicle, Cavalry Fighting (CFV), M3 (A)   | 50,549.00  | 22 Nov 89 |
| Vehicle, Cavalry Fighting (CFV), M3A1 (A)   | 73,497.00  | 22 Nov 89 |
| Vehicle, Cavalry Fighting (CFV), M3A1 (Minus) (A)   | 56,140.00  | 22 Nov 89 |
| Vehicle, Cavalry Fighting (CFV), M3A2 (A)   | 106,113.00 | 22 Nov 89 |
| Vehicle, Combat Engineering Vehicle (CEV), M-728 (A)                                      | (a)        |           |
| Vehicle, Field Artillery Ammunition Support Vehicle<br>(including M109 Chassis) M992, (A) | 12,805.00  | 22 Nov 89 |
| Vehicle, Fire Direction Control Center (FDCV) (A)   | 3,382.00   | 21 May 86 |
| Vehicle, Fire Support Team (FISTV), M-981 (A)   | 68,476.00  | 3 Feb 86  |
| Vehicle High Mobility Multi-Purpose Wheeled<br>(HMMWV) M998 Series (A)                    | 232.00     | 26 Oct 90 |
| Vehicle High Mobility Multi-Purpose Wheeled<br>(HMMWV) (A)                                | 660.00     | 6 Apr 88  |
| Vehicle, Infantry Fighting (IFV), M2 (A)<br>(w/o 25mm Cannon)                             | 74,715.00  | 25 Jun 82 |
| Vehicle, Infantry Fighting (IFV), M2 (A)<br>(with 25mm Cannon)                            | 79,392.00  | 25 Jun 82 |
| Vehicle, Infantry Fighting (IFV), M2 (A)  | 51,989.00  | 22 Nov 89 |
| Vehicle, Infantry Fighting (IFV), M2A1 (A)  | 74,937.00  | 22 Nov 89 |
| Vehicle, Infantry Fighting (IFV), M2A1 (Minus) (A)  | 57,580.00  | 22 Nov 89 |
| Vehicle, Infantry Fighting (IFV), M2A2 (A)  | 106,593.00 | 22 Nov 89 |
| Vehicle, Infantry Fighting (IFV), M3 (A)<br>(w/o 25mm Cannon)                             | 73,678.00  | 25 Jun 82 |
| Vehicle, Infantry Fighting (IFV), M3 (A)<br>(with 25mm Cannon)                            | 78,355.00  | 25 Jun 82 |
| Vehicle, Light Armored, All variants  | 69,965.00  | Aug 88    |
| Vehicle, Light Armored LAV Series   |            |           |
| LAV 25 (includes LAV-25 Turret)   | 2,818.00   | 17 Jun 91 |
| LAV Logistics   | 7,610.00   | 17 Jun 91 |
| LAV Recovery  | 26,305.00  | 17 Jun 91 |
| LAV Mortar  | 14,383.00  | 17 Jun 91 |
| LAV Command and Control   | 16,723.00  | 17 Jun 91 |
| LAV Anti-Tank (includes LAV-25 Turret)  | 13,473.00  | 17 Jun 91 |
| LAV Baseline  | 800.00     | 17 Jun 91 |
| LAV-25 Turret   | 1,600.00   | 17 Jun 91 |
| Vehicle, Mechanized Infantry Combat, M-723 (A)  | (a)        |           |
| Vehicle, Recovery, M-88 Series (A)  | 15,089.00  | 13 Feb 80 |
| Vehicle, Recovery, M-88/M88A1   | 8,460.00   | 1 Nov 88  |
| Vehicle, Recovery, M578 (A)   | (a)        |           |
| Vulcan Air Defense System, M-163 and M-167 Series (A)                                     | 29,439.00  | 26 Mar 80 |
| M966 Tow Carrier BSC Armor  | 660.00     | 6 Apr 88  |
| M996 Ambulance, 2 Litter  | 660.00     | 6 Apr 88  |
| M997 Ambulance, 4 Litter  | 660.00     | 6 Apr 88  |
| M998 Cargo Troop Carrier  | 660.00     | 6 Apr 88  |
| M1025 Armament Carrier BSC Armor w/o Weapons  | 660.00     | 6 Apr 88  |
| M1026 Armament Carrier BSC Armor w/o Weapons  | 660.00     | 6 Apr 88  |
| M1027 GLLD Carrier  | 660.00     | 6 Apr 88  |
| M1035 Soft Top Ambulance, 2 Litter  | 660.00     | 6 Apr 88  |
| M1036 Tow Carrier BSC Armor w/Weapons   | 660.00     | 6 Apr 88  |
| M1037 Shelter Carrier w/Weapons   | 660.00     | 6 Apr 88  |
| M1038 Cargo Troop Carrier Soft Top  | 660.00     | 6 Apr 88  |

|   |        |          |
|---|--------|----------|
| M1042 Shelter Carrier w/Weapons             | 660.00 | 6 Apr 88 |
| M1044 Armament Carrier Supp Armor w/Weapons | 660.00 | 6 Apr 88 |
| M1045 Tow Carrier Supp Armor w/o Weapons    | 660.00 | 6 Apr 88 |
| M1046 Tow Carrier Supp Armor w/o Weapons    | 660.00 | 6 Apr 88 |

**CATEGORY VIII - AIRCRAFT, SPACECRAFT  
AND ASSOCIATED EQUIPMENT**

|   |               |           |
|---|---------------|-----------|
| 240lb Thrust Engine (Chukar IIIR Aerial Target System (N)                       | (e)           | (N/A)     |
| A-4A (N) (less engine)  | 15,165.00     | 20 Oct 83 |
| A-4B (N) (less engine)  | 12,864.00     | 20 Oct 83 |
| A-4C (N) (less engine)  | 15,523.00     | 20 Oct 83 |
| A-4E (N) (less engine)  | 27,929.00     | 20 Oct 83 |
| A-4F (N) (less engine)  | 32,226.00     | 20 Oct 83 |
| A-4M (less engine) (N)  | 132,000.00    | Aug 83    |
| A-6 (N)   | (a)           |           |
| A-7 (w/o FLIR) (N)  | 243,881.00    | 8 Sep 83  |
| A-10 (w/o TF34 engine) (AF)   | 388,786.00    | 12 Mar 82 |
| A-37 (AF)   | 19,651.00     | 28 Mar 89 |
| AH-1S COBRA w/T-53-L-703 Engine (A)   | 150,856.00    |           |
| AH-1S COBRA w/T-53-L-703 Engine, M65 Airborne TOW Missile and C-Nite System (A) | 163,860.00    | 17 May 89 |
| AH-1J Airframe, SEACOBRA (N)  | 52,245.00     |           |
| AH-1T Airframe, SEACOBRA (N)  | 486,665.00    | 11 Oct 85 |
| AH-1W (SUPERCobra) (w/engine) (N)   | 326,461.00    | Jun 90    |
| AH-64 w/2 T-700 Engines, APACHE (A)   | 1,045,566.00  | 30 Dec 83 |
| AV-8B (w/o UK Assessment) (N)   | 867,373.00    | 26 Jun 81 |
| AWACS Enhancements  | 461,797.00    |           |
| C-5A, GALAXY (AF)   | 12,661,728.00 | 12 Mar 82 |
| C-130, HERCULES w/4T-56 engines (AF)  | 102,520.00    | 3 Aug 83  |
| C-141A/B, STARLIFTER (AF)   | 892,254.00    | 12 Mar 82 |
| CH-47A/B/C (Includes T-53 L-11A Engines)(A)                                     | 100,000.00    | 7 Nov 70  |
| CH-47D CHINOOK  | 144,279.00    | 7 Aug 91  |
| CH-53E/MH-53E (w/o T64 engine) (N)  | 1,023,097.00  | 12 May 83 |
| E-2B (with engines) (N)   | 298,400.00    | 22 Jun 89 |
| E-2C (N)  | 2,625,904.00  | 18 May 78 |
| E-3 CFM-56 Engine Integration   | 3,257,819.00  |           |
| E-3 Memory Upgrade Modification (AF)  | 1,674,841.00  | 8 Nov 89  |
| E-3A, U.S./NATO Standard, SENTRY (AF)   | 33,021,000.00 | 26 Oct 81 |
| (Total U.S. NRC charge \$27.43M;<br>Total NATO NRC charge \$5.59M)              |               |           |
| E-3A, Have Quick A-NETS System (AF)   | 166,121.00    | 5 Apr 90  |
| EA-6 (N)  | (a)           |           |
| F-4A (N)  | 129,712.00    | 20 Oct 83 |
| F-4B (N)  | 70,450.00     | 20 Oct 83 |
| F-4J (N)  | 122,089.00    | 20 Oct 83 |
| F-4E (N) (includes engines) (25% discounted for useful life) (N)                | 159,408.00    | 20 Oct 83 |
| F-4G Wild Weasel (MOD only) (AF)  | 667,241.00    | 12 Mar 82 |
| F-4N (N)  | 109,000.00    | Feb 90    |

|  |              |                 |
|--|--------------|-----------------|
| F/RF-5A, TIGER (AF) (without 2 J-85 engines)             | 40,000.00    | 1 Nov 71        |
| F/RF-5E, TIGER II (AF) (without 2 J-85 engines)          | 68,000.00    | 1 Nov 71        |
| F/RF-5F, TIGER II (AF) (without 2 J-85 engines)          | 207,000.00   | 25 Nov 75       |
| F-8 (N)  | 56,859.00    | 12 May 81       |
| F-14 (N) (with engine)                                   | 1,600,000.00 | 29 Nov 76       |
| F-15, EAGLE (AF)   | 1,600,000.00 | 29 Nov 76       |
| F-15 A/B (w/o engines, AN/APG-63 radars, MSIP, and TEWS) | 1,849,611.00 | 5 Feb 92        |
| F-15 C/D (w/o engines, AN/APG-63 radars, MSIP, and TEWS) | 1,897,460.00 | 5 Feb 92        |
| F-15 E (w/o engines, AN/APG-63 radars, MSIP, and TEWS)   | 3,938,594.00 | 5 Feb 92        |
| F-15 Enhancements  |              |                 |
| Upgrade, F-15 MSIP                                       | 615,789.00   | 5 Feb 92        |
| Tactical Electronic Warfare Support (TEWS)               | 225,434.00   | 5 Feb 92        |
| F-16 A/B (without EPG special NRC \$85,000.00)           |              |                 |
| FIGHTING FALCON (AF)                                     | 640,000.00   | 4 Jun 80        |
| F-16A Simulated Aircraft Maintenance Trainer (SAMT) (AF) | 172,220.00   | 3 Jul 85        |
| F-16 C/D (AF)  | 713,750.00   | 12 Apr 84       |
| F-16/79 (AF)   | 456,934.00   | 1 May 81        |
| F-18 (N) (includes 2 engines each acft)                  | 1,117,281.00 | 30 Mar 87       |
| F-18 (N) (includes 2 engines each acft)                  | 877,690.00   | 5 Aug 79        |
| F-20 (AF)  | (a)          |                 |
| F-100A (AF)  | 37,840.00    | 6 Dec 84        |
| F-100C (AF)  | 25,800.00    | 6 Dec 84        |
| F-100D (AF)  | 25,440.00    | 6 Dec 84        |
| F-100F (AF)  | 27,840.00    | 6 Dec 84        |
| F-101B/F (AF)  | 65,560.00    | 6 Dec 84        |
| F-102 (AF)   | 38,320.00    | 6 Dec 84        |
| F-104A STARFIGHTER (AF)                                  | 42,080.00    | 6 Dec 84        |
| F-104B/C/D (AF)  | 91,040.00    | 6 Dec 84        |
| F-104G/J (AF)  | (a)          |                 |
| F-105B, THUNDERCHIEF (AF)                                | 168,000.00   | 6 Dec 84        |
| F-105D/F (AF)  | 78,400.00    | 6 Dec 84        |
| F-106A/B, DELTA DART (AF)                                | 159,200.00   | 6 Dec 84        |
| F-107-WR-400 (N)   | (a)          |                 |
| F-111A/C/D/E/F (AF)                                      | 605,320.00   | 6 Dec 84        |
| H-3E (N)   | (a)          |                 |
| H-46 (N)   | (a)          |                 |
| H-53 (S-65) (N)  | 166,029.00   | 27 Feb 79       |
| KC-10, EXTENDER (AF)                                     | 1,176,667.00 | 12 Mar 82       |
| KC-135A, STRATOTANKER (AF)                               | 217,034.00   | 12 Mar 82       |
| OH-6, CAYUSE (A)   | 18,000.00    | 11 Jun 87       |
| OH-58A, KIOWA (A)  | 22,000.00    | 11 Jun 87       |
| OH-58C, KIOWA (A)  | 48,000.00    | 11 Jun 87       |
| OH-58D, (AHIP) Helicopter (A)                            | 755,379.00   | 26 Mar 90       |
| OV-1A/B/C, MOHAWK (A)                                    | 199,590.00   | (Prior to 1982) |
| OV-1A/B/C, MOHAWK (A)                                    | 119,229.06   | 23 Jun 82       |
| OV-10 (N) (without engine)                               | 41,930.84    | 9 Jun 78        |
| P-3A/B (N) (with engine)                                 | 382,750.00   |                 |
| P-3C (N) (with engine, update II)                        | 592,219.00   | 3 Jan 78        |

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|---|--------------|-----------|
| P-3C AEW&C (N)  | 1,761,974.00 | 25 Feb 87 |
| P-3C Update III a/c (N)   | 1,044,128.00 | 17 May 89 |
| Remotely Piloted Vehicle (RPV), ACQUILA (A)                       | (a)          |           |
| RF-4B (N)   | 104,566.00   | 20 Oct 83 |
| RF-4C, PHANTOM II (AF)  | 108,000.00   | 6 Dec 84  |
| S-2 (N) with engine   | 85,449.00    | 28 Aug 81 |
| S-2A/US-2 without engine (N)                                      | 18,987.00    | 20 Oct 83 |
| S-2C without engine (N)   | 23,497.00    | 20 Oct 83 |
| S-2D without engine (N)   | 38,448.00    | 20 Oct 83 |
| S-2E without engine (N)   | 35,950.00    | 20 Oct 83 |
| S-3 (N)   | 3,502,643.00 | 26 Jun 81 |
| SH-2/2D/2F LAMPS, MARK I) (w/2 T-58-GE Engines) (N)               | 325,423.00   | 6 Dec 84  |
| SH-2G Helicopter (w/2 ea T-700-GE-401 engines)(N)                 | 607,149.00   | 3 Jun 91  |
| SH-60B (LAMPS, MARK III Airframe without T-700-GE-401 Engines (N) | 859,636.00   | 15 Oct 82 |
| SH-60B Minimum Avionics Suite (N)                                 | 366,236.00   | 15 Oct 82 |
| SH-60B Mission Avionics Suite (N)                                 | 1,063,400.00 | 15 Oct 82 |
| SH-60B Ship Electronics (N)                                       | 1,131,227.00 | 15 Oct 82 |
| S-70/SH-60B (N)   |              |           |
| S-70A Helicopter Airframe (A)(C47)                                | 169,692.00   | 3 Jun 91  |
| S-70B Airframe w/o engine   |              |           |
| w/o Avionics (N)  | 756,144.00   | Jan 90    |
| S-70B Avionics (less AN/AQS-13F sonar) (N)                        | 99,140.00    | Jan 90    |
| SH-70C(M) (w/o Engine)(N)   | 855,284.00   | 23 Jan 87 |
| S-70C (M) Helicopter (N)  | 974,462.00   | Jun 87    |
| SH-80(3) less engine (N)  | 1,023,097.00 | Apr 86    |
| T-2 (N)   | 39,968.00    | 10 Jun 78 |
| TA-4F without engine (N)  | 28,110.00    | 20 Oct 83 |
| TA-4J without engine (N)  | 51,176.00    | 20 Oct 83 |
| T-33 (AF)   | 2,857.00     | 12 Mar 82 |
| T-37 (AF)   | 19,651.00    | 28 Mar 89 |
| T-38A (AF)  | 80,972.00    | 12 Mar 82 |
| TH-55, OSAGE (A)  | 6,000.00     | 11 Jun 87 |
| UH-1H, IROQUOIS (A)   | 4,501.00     | 1 May 81  |
| UH-1N (N)   | 48,032.00    | 12 Jul 85 |
| UH-60A includes 2 T-700-GE-700 Engines                            | 208,986.00   | 3 Oct 81  |
| (Airframe only - \$169,692.00) BLACKHAWK (A)                      |              |           |
| UH-60A includes 2 T-700-GE-700 Engines                            | 208,986.00   | 12 Oct 83 |
| UH-60A BLACKHAWK w/o Engines (A)                                  | 169,692.00   | 3 Oct 81  |
| <b><u>Engines</u></b>   |              |           |
| CFM-56 (AF)   | 20,000.00    | 25 May 89 |
| CFM-56 (AF)   | 39,677.00    | 6 Mar 84  |
| CT7-2A/2D   | 29,697.00    | 21 Dec 88 |
| CT7- 5A/7A  | 25,777.00    | 21 Dec 88 |
| CT7-6/9   | 9,236.00     | 21 Dec 88 |
| CT-58 (Derivative of T-58) (N)                                    | 20,045.00    | 11 Jun 87 |
| F-100-100/200 (AF)  | 221,705.00   | 12 Mar 82 |
| F-100-PW-100/200 AFE (AF)   | 284,001.00   | 27 Jan 92 |
| F-100-220 (AF)  | 379,725.00   | 13 Mar 87 |
| F-100-PW-220 AFE (AF)   | 364,783.00   | 27 Jan 92 |

|   |            |           |
|---|------------|-----------|
| F-100-GE-100 AFE (AF)                                     | 364,783.00 | 27 Jan 92 |
| F-100-PW-229 IPE (AF)                                     | 637,802.00 | 27 Jan 92 |
| F-110-GE-129 IPE (AF)                                     | 637,802.00 | 27 Jan 92 |
| F-101 (AF)  | (a)        |           |
| F-101X (AF)   | (a)        |           |
| F-107 (N)   | (a)        |           |
| F-109-GA-100, Turbofan Engine                             | 86,546.00  | 14 May 91 |
| F-110-100 (AF)  | 379,725.00 | 13 Mar 87 |
| F-401-PW-400A-401 (N)                                     | (a)        |           |
| F-404 (N)   | 63,840.00  | 30 Mar 87 |
| F-404-GE-400/402 engines (N)                              | (e)        |           |
| J-47 (AF)   | 2,168.00   | 12 Mar 82 |
| J-52P-6A/B (N)  | 7,370.00   | 8 Sep 83  |
| J-52P-8A/B (N)  | 30,658.00  | 8 Sep 83  |
| J-52P-408 (N)   | 33,106.00  | 8 Sep 83  |
| J-57P-6B (N)  | 4,600.00   | 8 Sep 83  |
| J-57P-10 (N)  | 4,120.00   | 8 Sep 83  |
| J-60P-3/3A (N)  | 2,520.00   | 8 Sep 83  |
| J-75 (AF)   | 28,999.00  | 12 Mar 82 |
| J-79-GE-8/10/15 Series (N)                                | 6,400.00   | 8 Sep 83  |
| J-79-GE-17/17A/119 (AF)                                   | 27,464.00  | 1 Oct 83  |
| J-85 (AF)   | 17,900.00  | 23 Mar 83 |
| PW-1120 (Derivative of F-100-200) (AF)                    | 155,194.00 | 20 Oct 83 |
| T-33-P-100 (AF)   | (a)        |           |
| T-53 (N)  | 1,542.00   | 7 May 81  |
| T-53-L-703 (A)  | 2,626.00   | 7 May 81  |
| T-53-L-703 (A)  | 2,220.00   | 17 May 89 |
| T-55 (A) (\$3,240 per engine, 2 per A/C)                  | 6,400.00   | 27 Aug 91 |
| T-56 (N)  | 13,313.00  | 12 May 83 |
| T-58 (N)  | 20,045.00  | 11 Jun 87 |
| T-64 (N)  | 38,578.00  | 12 May 83 |
| T-700-GE-700 (A)  | 19,647.00  | 12 Oct 83 |
| T-700-GE-700 (A)  | 29,697.00  | 21 Dec 88 |
| T-700-GE-401 (NRC is additive to T-700-GE-700 engine) (N) | 78,039.00  | 15 Oct 83 |
| T-700-GE-401/401A (N)                                     | 29,697.00  | 21 Dec 88 |
| T-700-GE-401C (N)   | 25,450.00  | 21 Dec 88 |
| T-700-GE-701/701A/701A1 (A)                               | 29,697.00  | 21 Dec 88 |
| T-700-GE-701C (A)   | 25,450.00  | 21 Dec 88 |
| TF-30 (N)   | 43,866.00  | 20 Jun 79 |
| TF-34 (N)   | 20,705.00  | 12 Mar 82 |
| TF-39 (AF)  | 441,707.00 | 12 Mar 82 |
| TF-41-A-2A/-2B/-400/-402/-402B (N)                        | 48,249.00  | 6 Dec 84  |

**Other**

Modular Integrated Communication Navigation  
System Ground Data Terminal (MICNS GDT) (A)

(a)

**CATEGORY IX - MILITARY TRAINING EQUIPMENT**

No items in this category are defined in the U.S. Munitions List as significant military equipment.

**CATEGORY X - PROTECTIVE PERSONNEL EQUIPMENT**

No items in this category are defined in the U.S. Munitions List as significant military equipment.

**CATEGORY XI - MILITARY AND SPACE ELECTRONICS**

|   |               |           |
|---|---------------|-----------|
| Avionics Intermediate Shop (AIS) (F-16A/B) (AF)               | 1,190,000.00  | 12 Apr 84 |
| Avionics Intermediate Shop (AIS) (F-16C/D) (AF)               | 2,400,000.00  | 12 Apr 84 |
| Countermeasure System Torpedo Ex Set 1 (N)                    | (a)           |           |
| Countermeasures, AN/ALQ-126, SPJ System (N)                   | 26,631.00     | 5 Jun 85  |
| Countermeasures, AN/ALQ-165, ASPJ (N)                         | 111,425.00    | 6 Dec 84  |
| Countermeasures, ALQ-119 (AF)                                 | 6,138.09      | 9 Dec 75  |
| Countermeasures, ALQ-131 w/receiver (AF)                      | 26,970.00     | 28 Sep 79 |
| Countermeasures, ALQ-131 w/o receiver (AF)                    | 24,108.00     | 28 Sep 79 |
| Countermeasures, AN/SLQ-32(V)1 (N)                            | 115,000.00    | 25 Apr 86 |
| Countermeasures, AN/SLQ-32(V)2 (N)                            | 250,350.00    | 25 Apr 86 |
| Countermeasures, AN/SLQ-32(V)3 (N)                            | 381,803.00    | 25 Apr 86 |
| Digital Mapping System MK 90 (DMA)                            | 35,102,998.00 | 18 May 89 |
| Product Generation Module (DMA)                               | 91,898.00     | 18 May 89 |
| Source Preparation Module (DMA)                               | 432,291.00    | 18 May 89 |
| Data Services Module (DMA)                                    | 34,254,561.00 | 18 May 89 |
| Data Extraction Module (DMA)                                  | 324,248.00    | 18 May 89 |
| Engagement Control System (ECS),<br>PATRIOT, AN/MSQ-104 (A)   | 548,311.00    | 15 Nov 82 |
| Joint Tactical Information Distribution System,<br>JTIDS (AF) | 50,828.00     | 30 Oct 82 |
| NAVSTAR Global Positioning System (GPS) (AF)                  | 1,000.00      | 28 Oct 87 |
| Ocean Surveillance Information System (OSIS)                  |               |           |
| Baseline Upgrade (OBU) (N)                                    | 6,551,852.00  | Jan 92    |
| Baseline Upgrade (OBU) (N)                                    | 7,873,000.00  | 26 Sep 86 |
| Ocean Surveillance Information System (OSIS)                  |               |           |
| Baseline Upgrade (OBU) (N)                                    | 12,425,926.00 | Jan 92    |
| Baseline Upgrade (OBU) (N)                                    | 11,586,364.00 | 11 Sep 87 |
| Remote Graphics Workstation (RGWS) (N)                        | 5,874,074.00  | (e)       |
| Radio, AN/ARA-54 (A)  | 39.84         | 28 Mar 89 |
| Radio, AN/VRC-12 Series (12, 43 through 49) (A)               | 70.00         | 15 Feb 84 |
| Radio, AN/TRC-170 (AF)  | 60,622.00     | 15 Feb 84 |
| SINCGARS Radios   |               |           |
| AN/PRC-119  | 803.00        | 26 Jan 90 |
| AN/VRC-87   | 803.00        | 26 Jan 90 |
| AN/VRC-88   | 803.00        | 26 Jan 90 |
| AN/VRC-89   | 803.00        | 26 Jan 90 |
| AN/VRC-90   | 803.00        | 26 Jan 90 |
| AN/VRC-91   | 803.00        | 26 Jan 90 |
| AN/VRC-92   | 803.00        | 26 Jan 90 |
| RT-1439 Receiver/Transmitter                                  | 296.00        | 26 Jan 90 |
| Sonar, AN/SQQ-32 Mine Hunting (N)                             | 1,562,119.00  | Feb 90    |
| Sonar, AN/SQR-19 (N)  | 1,349,593.00  | 29 Mar 82 |
| Sonar, AN/SQR-19 (N)  | 1,756,900.00  | Mar 90    |
| Sonar, AN/SQS-56 (N)  | 173,193.00    | 19 Jul 88 |
| SURTASS AN/UQQ-2(V)1 (N)                                      | 3,029,374.00  | 28 Aug 89 |
| SURTASS AN/UQQ-2(V)1 Shipboard System                         | 1,785,000.00  | 28 Aug 89 |
| SURTASS Shore Suites, AN/UQQ-2 (V)1 (N)                       | 1,244,374.00  | Aug 89    |



|  |            |           |
|--|------------|-----------|
| Tactical Air Operations Center (TAOC) AN/TYQ-23(N)       | 198,000.00 | 17 May 89 |
| Tactical Flag Command Center (N)                         | (a)        |           |
| Telephone, AN/TTC-38, Central (A)                        | 57,500.00  | Apr 90    |
| Telephone, AN/TTC-39, (A)                                | (a)        |           |
| Telephone, AN/TTC-42, Unit Level Circuit Switch (N)      | (a)        |           |
| Versatile Avonics Shop Test (VAST),<br>AN/USM-247(V) (N) | 753,448.00 | (e)       |

**CATEGORY XII - FIRE CONTROL, RANGE FINDER, OPTICAL AND GUIDANCE AND****CONTROL EQUIPMENT**

|  |               |                 |
|--|---------------|-----------------|
| AEGIS Weapon System, MK-7, w/o Standard Missile<br>and MK-41 Vertical Launch Systems (N) | 16,288,000.00 | 25 Feb 87       |
| Close in Weapon Systems, CIWS, PHALANX<br>(NRC is per gun mount) (N)                     | 287,842.00    | 28 Oct 78       |
| Computer, Fire Control, MK1A (N)   | (a)           |                 |
| Director, Fire Control, MK51-2 (N)   | (a)           |                 |
| Fire Control System, Missile MK-74 MOD 4 (N)   | (a)           |                 |
| Fire Control, System, Roland AN/GSG-11 (A)   | 324,828.00    | 24 Sep 80       |
| Fire Control System, MK-74, MOD 13, SM-1,<br>MR Msl (N)                                  | 171,875.00    |                 |
| Fire Control System, MK-86 (N)   | 471,287.00    |                 |
| Fire Direction System, AN/GSG-10 TACFIRE (A)   | 740,331.00    |                 |
| System, Fire Direction AN/GSG-11 TACFIRE (A)   | (a)           |                 |
| Goggles, Night Vision, AN/PVS-5 (A)  | 157.49        | 31 Jan 80       |
| Guided Bomb Unit, GBU-10/12 w/o fuze (AF)  | 203.00        | 15 Jun 87       |
| Guided Bomb Unit, GBU-10/12 w/FMU-81 fuze (AF)   | 243.00        | 15 Jun 87       |
| Guided Bomb Unit, GBU-10/12 w/FMU-139A<br>A/B fuze (AF)                                  | 217.00        | 15 Jun 87       |
| Guided Bomb Unit, GBU-15 (AF)  | 12,528.00     | 11 May 81       |
| Guided Bomb Unit, GBU-16 (N)   | (a)           |                 |
| Laser Target Designator, AN/AVQ-26,<br>PAVE TACK (AF)                                    | 643,071.00    | 11 Jun 87       |
| PAVE TACK, AN/AVQ-26, Target Designator  | 177,648.00    | (Prior to 1987) |
| MFCS MK-92 (N)   | (a)           |                 |
| MFCS MK-92 MOD 1, Missile Fire Control System (N)  | 351,893.00    |                 |
| MFCS MK-92, MOD 2 (N)  | 383,535.00    |                 |
| Manpack System, Single Channel UHF, AN/PSC-1<br>and AN/PSC-7 (A)                         | (a)           |                 |
| Manpack, LOREN, AN/PSN-6 (A)   | (a)           |                 |
| Marine Integrated Fire and Air Support System<br>(MIFASS) (N)                            | (a)           |                 |
| Missile Minder, AN/TSQ-73 (A)  | 715,687.00    | 15 Nov 82       |
| Mission Payload Subsystem (MPS), Daylight (A)  | (a)           |                 |
| MPS, Forward Looking InfraRed (FLIR) (A)   | (a)           |                 |
| Modular Tactical Communications Center (MTCC) (A)  | (a)           |                 |
| Navigation Pod AN/AAQ-13 LANTIRN (AF)  | 217,453.00    | 18 May 89       |
| Ocean Surveillance Information System (OSIS)<br>w/Baseline Upgrade (OBU)                 | 6,551,852.00  | 27 Jan 92       |
| Remote Graphics Workstation  | 5,874,074.00  | 27 Jan 92       |
| Pathfinder System (AF)   | 32,618.00     | 12 Jul 89       |
| Patriot Antenna Mast Set (A)   | 131,906.00    | 18 Nov 82       |
| PATRIOT Electrical Power Plant (EPPII)(A)  | 339,464.00    | 18 Nov 78       |

|   |               |           |
|---|---------------|-----------|
| Position Location Reporting System,               |               |           |
| AN/TSQ-129 Master Station (A)                     | 1,179,261.00  | 28 Mar 89 |
| Radar, AN/APG-63 , (AF)                           | 410,407.00    | 28 Mar 89 |
| Radar, AN/APG-65 (F-18) (N)                       | 29,471.00     | 30 Mar 87 |
| Radar, AN/APG-66 (F-16A/B) (AF)                   | 30,400.00     | 12 Apr 84 |
| Radar, AN/APG-66H (AF)                            | 14,653.00     | 7 Jun 91  |
| Radar, AN/APG-65 (EFA) (N)                        | 23,543.00     | 21 Apr 89 |
| Radar, AN/APG-65 (F-18) (N)                       | 29,471.00     | Jan 86    |
| Radar, AN/APG-68 (F/16C/D) (AF)                   | 101,120.00    | 12 Apr 84 |
| Radar, AN/APS-138 (N)                             | 375,000.00    | Apr 90    |
| Radar, AN/APS-145 (N)                             | 1,078,582.00  | 25 Feb 87 |
| Radar, Antenna, AN/APS-138 (AN/APS-145) (N)       | 162,047.00    | 25 Feb 87 |
| Radar, AN/AWG-9 (PHOENIX) (N)                     | 338,403.00    | 28 Mar 89 |
| Radar, AN/FPS-118 Over-The-Horizon                |               |           |
| Backscatter (OTH-B)(AF)                           |               |           |
| Prime Sector                                      | 89,098,000.00 | 7 Jun 91  |
| Second Sector                                     | 3,534,000.00  | 7 Jun 91  |
| Third Sector                                      | 1,050,000.00  | 7 Jun 91  |
| Radar, PPS-117 (AF)                               | 883,053.00    | 20 Apr 89 |
| Radar, AN/MPQ-53, (PATRIOT) (A)                   | 2,383,426.00  | 18 Nov 82 |
| Radar, AN/SPS-46 (N)                              | (a)           |           |
| Radar, AN/SPS-40B (N)                             | 216,746.00    | 7 May 82  |
| Radar, AN/SPS-48E (N)                             | (a)           |           |
| Radar, AN/SPS-49 (N)                              |               |           |
| AN/SPS-49(V) Radar (ATD) (N)                      | 140,910.00    | Apr 90    |
| 1-4 and 6 (N)                                     | 143,460.00    | Apr 90    |
| ATD JUT MID (N)                                   | 82,186.00     | Apr 90    |
| (V) 5 and (V) 7 (N)                               | 149,146.00    | Apr 90    |
| Radar, AN/SPS-49(V)5/(V)7 (N)                     | 305,719.00    | 15 Mar 84 |
| Radar, AN/TPQ-36 (A)                              | 252,968.00    | 25 Jul 79 |
| Radar, AN/TPQ-36 (A)                              | 344,261.00    | 17 May 89 |
| Radar, Low Altitude Surveillance Radar (LASR)     |               |           |
| (Derivative of AN/TPQ-36 Radar) (A)               | 73,361.00     | 1 Oct 84  |
| Radar, AN/TPQ-37 (A)                              | 920,149.00    | 19 May 81 |
| Radar, AN/TPQ-37 (A)                              | 1,236,126.00  | 17 May 89 |
| Radar, AN/TPS-43 w/basic antenna (AF)             | 27,462.00     | 5 Feb 86  |
| Radar, AN/TPS-63 (USMC Baseline) (N)              | 45,557.00     | 7 May 87  |
| Radar, AN/TPS-63 (Derivative configuration) (N)   | 31,890.00     | 7 May 87  |
| Radar, AN-TPS-71 ROTH (N)                         | 15,076,923.00 | Apr 90    |
| Radar, Fire Control, MK-25 (N)                    | (a)           |           |
| Radar, SDSMS, MK-23 Target Acquisition System (N) | 920,000.00    |           |
| Radar System, W-160 (commercial derivative of     |               |           |
| AN/APG-66 Radar) (AF)                             | 6,962.00      | 7 Jun 91  |
| Radar System, WX-66, (commercial derivative       |               |           |
| of AN/APG-66 Radar) (AF)                          | 13,437.00     | 24 Nov 89 |
| SHF System, Multichannel, AN/TSC-85               |               |           |
| and AN/TSC-93 (A)                                 | (a)           |           |
| SATCOM GND System, AN/TSC-86 (A)                  | (a)           |           |
| Sharpshooter Targeting (commercial derivative     |               |           |
| of AN/AAQ-14) (AF)                                | 201,057.00    | 7 Jun 91  |
| Tactical Air Operations Center, TAOC-85 (N)       | (a)           |           |

|  |              |           |
|--|--------------|-----------|
| Tactical Air Operations Center, TAOC AN/TYQ-23 (N)           | 198,600.00   | 17 May 89 |
| Tactical Operations System (TOS) AN/UYQ-19 and AN/UYQ-36 (A) | 121,128.00   | 28 Mar 89 |
| Target Acquisition Designation Sight (TADS) (A)              | 202,591.00   | 30 Dec 83 |
| Target Acquisition System (TAS), MK-23 Mods 0-8 (N)          | (a)          |           |
| Targeting Pod AN/AAQ-14 (AF)                                 | 201,057.00   | 18 May 89 |
| Targeting Pod Support Equipment (FMS) (AF)                   | 1,418,320.00 | 18 May 89 |
| Terminal, Light for AN/TSC-86 (A)                            | (a)          |           |
| Terminal, Medium, AN/GSC-39(V) DSCS (A)                      | (a)          |           |
| Terminal, Single Subscriber (SST) (A)                        | (a)          |           |
| RT 1343/TSQ-129 Basic User Unit (A)                          | 41,298.00    | 30 Nov 88 |

**CATEGORY XIII - AUXILIARY MILITARY EQUIPMENT**

No items in this category are defined in the U.S. Munitions List as significant military equipment.

- NOTES:** (a) If there has been an investment in nonrecurring cost and the calculation of the charge has not been completed and a sale is pending, contact DSAA to obtain the required charge.
- (b) For older ships designed, a percentage charge (3.5%) for recoupment of nonrecurring cost will be established at a time of actual demand for FMS or commercial sales proposals.
- (c) For a new sale use the most recent charge.
- (d) The effective date of 28 Mar 89 has been assigned to items where one charge exists without an effective date identified.
- (e) NRC in staffing.

**ARMY NONMAJOR DEFENSE EQUIPMENT**

| ITEM   | UNIT NC   | Date NC Charge Approved |
|--|-----------|-------------------------|
| <b><u>CATEGORY I - FIREARMS</u></b>                    |           |                         |
| Gun, M242 25MM GYE (Bushmaster)                        | 1,781.05  | 9 Jun 88                |
| Grenade, M46   | .01       | 10 May 91               |
| Grenade, M77   | .01       | 10 May 91               |
| MG, 7.62MM, M73/M219                                   | 873.00    |                         |
| MG, 7.62MM, M60  | 32.00     |                         |
| MG, Cal 50, M85  | 1,305.00  |                         |
| MG, 40MM, MK 19-3 (NSN 1010-01-126-9063)               | 565.20    | 6 Mar 91                |
| Machine Gun Mount, MK 64 Mod 5 (NSN 1010-01-180-9319)  | 110.95    | 9 Sep 91                |
| Machine Gun Mount, MK 64 Mod 7 (NSN 1010-01-179-7616)  | 101.50    | 9 Sep 91                |
| Rifle, 7.62MM, M14                                     | 29.00     |                         |
| <b><u>CATEGORY II - ARTILLERY AND PROJECTILES</u></b>  |           |                         |
| M199 Cannon Assembly (Component of M198 How.)          | 6,672.00  |                         |
| M1, 120 Gun/Ammo                                       | 49,902.00 |                         |
| Gun, Air Defense Artillery, Towed, 20mm, M167A2, PIVAD | 16,050.00 | 21 Jun 90               |
| Gun, Air Defense Artillery, SP, 20mm, M163A2, PIVAD    | 17,500.00 | 21 Jun 90               |

**CATEGORY III - AMMUNITION**

|   |       |           |
|---|-------|-----------|
| Cartridge 40mm M385 Dummy                             | .19   | 30 Sep 91 |
| Cartridge 40mm FXD HEDP M433 SN62 NGL RD 72/BX        | .43   | 22 May 91 |
| Cartridge 60mm HE M270 (w/FMD M734 (LAP))             | 5.00  | 22 May 91 |
| Cartridge 81mm HE M374A3 (w/M567 fuze)                | 3.24  | 22 May 91 |
| Cartridge 81mm Illumination (NSN 1315-01-289-9789)    | 11.00 | 10 Sep 91 |
| Cartridge 105mm APFSD SD-T M774 2/BX                  | 24.00 | 22 May 91 |
| Cartridge 4.2" HB M329 A2 (w/o fuze n/oburator (LAP)) | 4.08  | 22 May 91 |
| Fuze, PD, M739  | 1.38  |           |
| Fuze, M739 (w/o Booster)                              | .73   |           |
| Fuze, PD, M407-1                                      | 2.42  |           |
| Fuze, MTSQ M577                                       | 3.39  |           |

**CATEGORY IV - LAUNCH VEHICLES, GUIDED MISSILES, BALLISTIC MISSILES, ROCKETS, TORPEDOES, BOMBS AND MINES**

|  |              |           |
|--|--------------|-----------|
| Advanced Tactical Ballistic Missile System |              |           |
| MOD KIT                                    | 285.00       | 24 Apr 92 |
| CHAPARRAL Missile System                   |              |           |
| Fire Unit                                  | 40,200.00    | 10 Nov 79 |
| AN/TSM-95, Test Set                        | 256,984.00   | 10 Nov 79 |
| AN/TSM-96, Test Set                        | 407,187.00   | 10 Nov 79 |
| Forward Looking Infrared Device (FLIR)     | 58,255.00    | 10 Nov 79 |
| DRAGON Missile System                      |              |           |
| Tracker                                    | 2,257.00     | 24 Mar 80 |
| Tracker Test Set                           | 21,014.00    | 24 Mar 80 |
| Monitor Set                                | 3,885.00     | 24 Mar 80 |
| HAWK, GSE                                  |              |           |
| Rocket MOTOR                               | 728.00       | 12 Nov 80 |
| Telemetry, Tactical                        | 12,626.00    | 12 Nov 80 |
| Containers                                 | 1,110.00     | 12 Nov 80 |
| Theater Readiness Monitoring Equipment     | 1,485,083.00 | 12 Nov 80 |
| Platoon Command Post                       | 65,058.00    | 12 Nov 80 |
| Information Coordinating Central           | 39,965.00    | 12 Nov 80 |
| Continuous Wave Acquisition Radar          | 27,694.00    | 12 Nov 80 |
| High Power Illuminator                     | 24,508.00    | 12 Nov 80 |
| Battery Control Central                    | 36,881.00    | 12 Nov 80 |
| Pulse Acquisition Radar                    | 37,710.00    | 12 Nov 80 |
| Range Only Radar                           | 25,005.00    | 12 Nov 80 |
| Antenna Mast Set                           | 131,906.00   | 12 Nov 80 |
| Mobile Team Shop                           | 14,627.00    | 12 Nov 80 |
| Field Maintenance Equipment                |              |           |
| Shop 1 AN/TSM-106                          | 122,068.00   | 12 Nov 80 |
| Shop 2                                     | 389,114.00   | 12 Nov 80 |
| Shop 3 AN/TSM-104                          | 113,905.00   | 12 Nov 80 |
| Shop 5                                     | 473,387.00   | 12 Nov 80 |
| Shop 6                                     | 634,143.00   | 12 Nov 80 |
| Shop 8 AN/TSM-107                          | 75,617.00    | 12 Nov 80 |
| Shop 9                                     | 484,434.00   | 12 Nov 80 |
| Simulator, AN/TPQ-29                       | 649,585.00   | 12 Nov 80 |
| Simulator, MOD TPQ-21                      | 177,693.00   | 12 Nov 80 |
| Test Program Set                           | 3,733.34     | 22 Aug 90 |

|  |            |           |
|--|------------|-----------|
| Test Program Set   | 14,091.00  | 24 Apr 92 |
| HAWK PIP's   |            |           |
| Improved Continuous Wave Acquisition Radar (ICWAR)               | 19,026.00  | 12 Nov 80 |
| Army Tactical Data Link (ATDL)                                   | 27,884.00  | 12 Nov 80 |
| Modification Installation Kit (TAS IHPI Equip.) 1430-01-146-9222 | 35,958.00  | 12 Nov 80 |
| CMOS Memory Expansion PIP (AN/TSQ-73 Missile Minder)             | 152,170.00 | 12 Nov 80 |
| IHPI RAM/EMCOM   | 6,792.00   |           |
| IPAR ULSA  | 16,387.00  |           |
| IPAR EMCOM   | 24,074.00  |           |
| Missile - MEU-PIP- Phase 3                                       | 1,810.00   |           |
| Missile - MBJ-PIP- Phase 3                                       | 490.00     |           |
| LANCE Missile System   |            |           |
| M251 Warhead Section   | 11,247.00  | 21 May 82 |
| M252 Warhead Section   | 11,849.00  | 21 May 82 |
| M752 Launcher Carrier Mounted                                    | 163,037.00 | 21 May 82 |
| M688 Loader Transporter  | 125,170.00 | 21 May 82 |
| GMSTS  | 115,842.00 | 21 May 82 |
| M6 Trainer   | 121,917.00 | 21 May 82 |
| Monitor Programmer   | 57,598.00  | 21 May 82 |
| Mobility Kit, GM LCHR, M234                                      | 87,326.00  | 21 May 82 |
| Low Bed Trailer  | 1,070.00   | 21 May 82 |
| Body Section   | 2,606.00   | 21 May 82 |
| Booster Motor  | 899.00     | 21 May 82 |
| Director Station   | 31,654.00  | 21 May 82 |
| Track Station  | 21,425.00  | 21 May 82 |
| HIPAR  | 47,817.00  | 21 May 82 |
| Ant Rec TRR  | 23,359.00  | 21 May 82 |
| Sim Station Radar  | 80,278.00  | 21 May 82 |
| LCHR Monorail  | 5,510.00   | 21 May 82 |
| Rail Launcher Hand   | 955.00     | 21 May 82 |
| Launcher, Air-to-Air   | 2,873.55   | 11 Dec 90 |
| Launcher, Standard Vehicle Mounted                               | 3,763.65   | 11 Dec 90 |
| PATRIOT Missile System   |            |           |
| Canister   | 2,000.00   | 12 May 89 |
| Operator Tactics Trainer MOD KIT                                 | 70,625.00  | 15 Apr 92 |
| PERSHING Missile System  |            |           |
| Automatic Reference Sys. (ARS)                                   | 27,542.00  |           |
| Erector Launcher (EL)  | 112,193.00 |           |
| Power Station (PS)   | 221,774.00 |           |
| Programmer Test Station (PTS)                                    | 288,914.00 |           |
| Systems Component Test Station (SCTS)                            | 429,565.00 |           |
| Radio Terminal Set (AN/TRC-80)                                   | 144,048.00 |           |
| Warhead Section  | 29,333.00  |           |
| 2nd Stage Section  | 23,911.00  |           |
| 1st Stage Section  | 21,573.00  |           |
| ROLAND Missile System  |            |           |
| Field Maint. Test Set (FMTS)                                     | 578,102.00 | 24 Sep 80 |
| Organizational Maintenance Test Set (OMTS)                       | 166,986.00 | 24 Sep 80 |
| Operator Proficiency Trainer (OPT)                               | 177,753.00 | 24 Sep 80 |

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DoD Financial Management Regulation

|                                     |            |           |
|-------------------------------------|------------|-----------|
| Shop Set 20 MOD KIT                 | 1,563.00   | 16 Apr 92 |
| Shop Set 21 MOD KIT                 | 3,050.00   | 16 Apr 92 |
| STINGER Missile System              |            |           |
| Missile w/Tube                      | 4,367.00   | 28 Jul 79 |
| Gripstock                           | 940.00     | 28 Jul 79 |
| Tracking Head Trainer               | 11,928.00  | 28 Jul 79 |
| STINGER Basic                       |            |           |
| Gripstock                           | 2,200.00   | 20 Dec 88 |
| Gripstock                           | 500.00     | 3 May 91  |
| Tracking Head Trainer               | 12,300.00  | 20 Dec 88 |
| Tracking Head Trainer               | 8,200.00   | 3 May 91  |
| STINGER Post                        |            |           |
| Gripstock                           | 93,300.00  | 20 Dec 88 |
| Gripstock                           | 1,000.00   | 3 May 91  |
| Tracking Head Trainer               | 180,900.00 | 20 Dec 88 |
| Tracking Head Trainer               | 30,800.00  | 3 May 91  |
| STINGER RPM                         |            |           |
| Gripstock                           | 1,000.00   | 20 Dec 88 |
| Gripstock                           | 1,500.00   | 3 May 91  |
| Tracking Head Trainer (less module) | 10,000.00  | 20 Dec 88 |
| Tracking Head Trainer               | 9,700.00   | 3 May 91  |

CATEGORY V - PROPELLANTS, EXPLOSIVES AND INCENDIARY AGENTS

NONE

CATEGORY VI - VESSELS OF WAR AND SPECIAL NAVAL EQUIPMENT

NONE

CATEGORY VII - TANKS AND MILITARY VEHICLES

|  |           |           |
|--|-----------|-----------|
| Howitzer, SP, 105mm, M108                        | 25,632.00 |           |
| Howitzer, SP M109, Chassis only                  | 1,711.00  | 23 Jun 87 |
| Cannon, 8", M201 (Kit #3)                        | 6,603.00  |           |
| M901 ITV Kit                                     | 8,794.00  |           |
| M60A1 Tank                                       |           |           |
| M60 Engine (1790)                                | 2,066.00  | 3 Mar 80  |
| Engine Kit (RISE) 1790 AVDS                      | 1,168.00  | 3 Mar 80  |
| Track Shoe M60                                   | 2.00      | 3 Mar 80  |
| Track Shoe (T97&T142)                            | 320.00    | 3 Mar 80  |
| a/Shoe 1/  |           |           |
| Other  | 11,350.00 | 3 Mar 80  |
| M60 Tank Machined Hull                           | 1,295.00  | 3 Mar 80  |
| STE/ICE  | 400.00    |           |
| Transmission M60 (CD-850)                        | 347.00    | 4 Nov 78  |
| XT-1410.4 M881 TRM                               | 4,934.00  |           |
| 1/4 Ton Truck                                    | 137.00    |           |
| 2 1/2 Ton Truck                                  | 206.00    |           |
| 5 Ton Truck PIP, M939 Series                     | 547.00    |           |
| 5 Ton Truck Wrecker M800 Series                  | 347.00    |           |
| 5 Ton Truck-Conversion to Floating Ribbon Bridge |           |           |
| Transporter, Technical Manuals                   | 53,100.00 | 7 Jun 90  |
| M561/M792, Gamma Goat                            | 1,770.00  |           |
| H746/Heavy Equipment Transporter (HET)           | 89,819.00 |           |

|  |            |           |
|--|------------|-----------|
| M520/M553/M559, 8T Cargo Truck, GOER               | 9,126.00   |           |
| M1 Abrams Tank (105mm)                             | 132,162.00 | 20 Aug 85 |
| Engine   | 17,458.00  | 20 Aug 84 |
| Transmission                                       | 15,484.00  |           |
| Fire Control                                       |            |           |
| TIS  | 4,755.00   | 20 Aug 84 |
| LRF  | 754.00     | 20 Aug 84 |
| Other  | 93,711.00  |           |
| M1 Tank (120mm)                                    |            |           |
| Engine   | 17,458.00  | 20 Aug 84 |
| Transmission                                       | 15,484.00  | 20 Aug 84 |
| Fire Control                                       |            |           |
| TIS  | 4,755.00   |           |
| LRF  | 754.00     |           |
| Other  | 198,597.00 |           |
| Turret Drive & Stabilization                       | 3,022.00   |           |
| Fire Control (XM-2, XM-3)                          | 10,506.00  |           |
| Transmission (SM-2, SM-3)                          | 6,742.00   |           |
| IFV/CFV Fire Control                               | 7,076.00   |           |
| IFV only M351, TOW PI                              | 1,386.00   |           |
| M60 A3 Fire (IFV/CFV) Control System               |            |           |
| Laser Range Finder                                 | 3,892.00   | 4 Nov 78  |
| Solid State Computer                               | 3,963.00   | 4 Nov 78  |
| Tank Thermal Sight                                 | 9,488.00   | 4 Nov 78  |
| Engine, M1   | 16,697.00  | 20 Aug 84 |
| Transmission, M1                                   | 16,440.00  | 20 Aug 84 |
| Track (XM-1)                                       | 621.00     | 20 Aug 84 |
| Armament, 25MM Gun (AFV, CFV)                      | 6,775.00   |           |
| Turret System (IFC, CFV)                           | 40,097.00  |           |
| M185 Cannon Assembly (Component                    |            |           |
| M109A2/A3 Howitzer                                 | 1,068.00   | 23 Jun 87 |
| M199 Cannon Assembly (Component                    |            |           |
| M198 Howitzer                                      | 6,672.00   | 14 Feb 86 |
| M981FISTV System                                   | 66,878.00  |           |
| Targeting Observation Subsystem (Rec Rate)         | 47,843.00  | 3 Feb 86  |
| AN/TAS-4, Night Sight                              | 2,773.00   | 3 Feb 86  |
| AN/TVQ2 GLLD                                       | 16,262.00  | 3 Feb 86  |
| Field Artillery Ammunition Support Vehicle (FAASV) | 22,065.00  |           |
| Armored Combat Earthmover (ACE)                    | 36,000.00  |           |

**CATEGORY VIII - AIRCRAFT, SPACECRAFT AND ASSOCIATED****EQUIPMENT**

|  |           |           |
|--|-----------|-----------|
| Imp Main Rotor Blade                     | 3,285.00  |           |
| Fiberglass Rotor Blade (CH-47)           |           |           |
| (6 blades required)                      | 3,654.00  |           |
| Universal Turret                         | 7,653.00  |           |
| Fire Control Subsystem                   | 16,863.00 |           |
| AH-64 Apache                             |           |           |
| 30mm Chain Gun                           | 10,703.00 | 30 Dec 83 |
| Integrated Helmet & Display Sight System |           |           |
| (IHADSS)                                 | 5,074.00  | 30 Dec 83 |

|   |           |           |
|---|-----------|-----------|
| Symbol Generator (SYM GEN)                                    | 1,479.00  | 30 Dec 83 |
| Multiplex (integrates various subsystems)                     | 6,334.00  | 30 Dec 83 |
| Remote Hellfire Electronics (RHE)                             | 6,344.00  | 30 Dec 83 |
| Fire Control Computer (FCC)                                   | 9,284.00  | 30 Dec 83 |
| Heading Attitude Reference System (HAS)                       | 5,700.00  | 30 Dec 83 |
| Air Data System (generates info on wind velocity & direction) | 924.00    | 30 Dec 83 |
| Pilot Night Vision Sensor (PNVS)                              | 35,900.00 | 30 Dec 83 |
| OH-58D, (AHIP) Helicopter, Control Display System             | 14,678.00 | 17 May 91 |

**CATEGORY IX - MILITARY TRAINING EQUIPMENT**

|  |            |           |
|--|------------|-----------|
| Targets, MQM-107A1 (VSTT)                        | 2,494.00   |           |
| Army Training Battle Simulation System           | 110,968.00 | 15 May 90 |
| M1 Abrams UCFT (WO) 60HZ VAX                     | 60,000.00  | 30 May 90 |
| M1 Abrams UCFT 60HZ MV                           | 97,423.40  | 30 May 90 |
| M1 Abrams UCFT 50HZ MV                           | 97,423.40  | 30 May 90 |
| Bradley, M2/M2 UCFT 60HZ MV                      | 97,423.40  | 30 May 90 |
| Bradley, M2/M3 UCFT 50HZ MV                      | 97,423.40  | 30 May 90 |
| M60A3 UCFT 60HZ MV                               | 97,423.40  | 30 May 90 |
| M60A3 UCFT 50HZ MV                               | 97,423.40  | 30 May 90 |
| M1A1 UCFT 60HZ MV                                | 97,423.40  | 30 May 90 |
| M1A1 UCFT 50HZ MV                                | 97,423.40  | 30 May 90 |
| M60A3 MCOFT 50HZ MV                              | 28,831.50  | 30 May 90 |
| Bradley M2/M3A1 MCOFT 60HZ MV                    | 28,831.50  | 30 May 90 |
| M60A3 MCOFT 60HZ MV                              | 28,831.50  | 30 May 90 |
| Bradley M2/M3A1 UCFT 50HZ VAX                    | 56,650.00  | 30 May 90 |
| Bradley M2/M3A1 UCFT 60HZ VAX                    | 56,650.00  | 30 May 90 |
| Bradley M2/M3A1 60HZ MV                          | 56,650.00  | 30 May 90 |
| Bradley M2/M3A1 ICFT 60HZ MV                     | 19,531.80  | 30 May 90 |
| M1 Abrams MCOFT 60HZ MV                          | 28,831.50  | 30 May 90 |
| M1 Abrams UCFT (WO) 60HZ MV                      | 19,531.50  | 30 May 90 |
| M1 Abrams ICFT (STA) 60HZ MV                     | 19,531.50  | 30 May 90 |
| Bradley M2/M3A1 UCFT 50HZ MV                     | 56,650.00  | 30 May 90 |
| M60A3 UCFT 60HZ MV                               | 56,650.00  | 30 May 90 |
| M60A3 UCFT 60HZ MV                               | 56,650.00  | 30 May 90 |
| M60A3 MCOFT 60HZ MV                              | 46,850.00  | 30 May 90 |
| Interconnecting Box Target Interface-RETS        | 77.85      | 30 May 90 |
| Interconnecting Box Mount Assey-High Power-RETS  | 35.60      | 30 May 90 |
| Interconnecting Box Mount Assey-Low Power-RETS   | 30.75      | 30 May 90 |
| Target Holding Set Training                      | 73.90      | 30 May 90 |
| Infantry Target Mechanism-RETS Simulator         | 194.50     | 30 May 90 |
| Sound Small Arms                                 |            |           |
| Infantry Hostile Fire Simulator-RETS             |            | 30 May 90 |
| Simulator Muzzle Flash Small Arms Infantry Night | 11.65      | 30 May 90 |
| Muzzle-RETS                                      |            |           |
| Track System Target Training Set Infantry Moving | 331.35     | 30 May 90 |
| Target Carrier-RETS                              |            |           |
| Consol Target Training Set Range Control         | 1,581.15   | 30 May 90 |
| Station-RETS                                     |            |           |
| Target Mannequin 3 Dimensional-RETS              | .42        | 30 May 90 |
| Armored Moving Target Carrier-RETS               | 6,349.10   | 30 May 90 |
| Simulator Tank Gunfire Armor Tank Kill-RETS      | 64.25      | 30 May 90 |



|   |          |           |
|---|----------|-----------|
| Target Holding Mechanism Tank Gunnery-RETS    | 200.40   | 30 May 90 |
| Captive Flight Trainer (NSN 6920-01-305-7525) | 1,500.00 | 11 Dec 90 |

**CATEGORY X - PROTECTIVE PERSONNEL EQUIPMENT**

|   |        |           |
|---|--------|-----------|
| M42 Gas Mask (SM, MED, LG) (ALL)        | 9.55   | 12 Dec 88 |
| M43 Chem-Bio A/craft Mask Type I (SM)   | 100.00 | 22 May 90 |
| M43 Chem-Bio A/craft Mask Type I (Med)  | 100.00 | 22 May 90 |
| M43 Chem-Bio A/craft Mask Type I (LG)   | 100.00 | 22 May 90 |
| M43 Chem-Bio A/craft Mask Type I (XLG)  | 100.00 | 22 May 90 |
| M43 Chem-Bio A/craft Mask Type II (SM)  | 62.52  | 22 May 90 |
| M43 Chem-Bio A/craft Mask Type II (Med) | 62.52  | 22 May 90 |
| M43 Chem-Bio A/craft Mask Type II (LG)  | 62.52  | 22 May 90 |
| M43 Chem-Bio A/craft Mask Type II (XLG) | 62.52  | 22 May 90 |

**CATEGORY XI - MILITARY AND SPACE ELECTRONICS**

|   |           |           |
|---|-----------|-----------|
| AN/ANS-6 (V1) and (V2)  | 332.00    | Dec 77    |
| AN/ASN-137 Multiple Lightweight Doppler Navigational System   | 1,857.00  | 24 Apr 92 |
| RT 1193A/ASN  | 1214.55   | 24 Apr 92 |
| CY 3669/ASN   | 643.35    | 24 Apr 92 |
| AN/GRC-143, Radio Set (AN/TAC-121)<br>(requires 2 AN/GRC-143) | 29,253.00 |           |
| AN/TPX-46(V), Interrogator Set                                | 16,129.00 | Dec 77    |
| AN/ASN-128, Navigator Set, Doppler Radar                      | 2,075.00  | Dec 77    |
| FAAR, AN/MPQ-54   | 62,145.00 |           |
| Electronic Component Assembly (NSN 1420-01-244-9680)          | 1,051.50  | 11 Dec 90 |

**CATEGORY XII - FIRE CONTROL, RANGE FINDER, OPTICAL AND GUIDANCE AND CONTROL EQUIPMENT**

|   |              |           |
|---|--------------|-----------|
| AN/VVS-2 Night Vision, Drivers Viewer                             | 88.00        |           |
| MX10160 (Image Intensifier Tube)                                  | 166.00       | 20 Jun 91 |
| MX10160 (Image Intensifier Tube)                                  | 540.86       |           |
| Battery Control System, AN/GYK-29 (NNSN)                          | 10,455.00    |           |
| OL-200/GYK-29 7025-01-134-2331                                    |              |           |
| OO-144 VI/GYK-29 7025-01-134-2329                                 |              |           |
| OO-144 VR/GYK-29 7025-01-134-3218                                 |              |           |
| Airborne Laser Tracker, AN/AAS-32                                 | 16,277.00    |           |
| Teletypewriter Set, AN/UGC-74A(V)3                                | 1,471.93     |           |
| C-Nite System   | 16,256.00    | 17 May 89 |
| Common Module FLIR Components Detector                            | 119.00       |           |
| DT 591  |              |           |
| DT 591A   |              |           |
| DT594   |              |           |
| DT 617  |              |           |
| IRIS  |              |           |
| Regency net, Receiver Exciter less Module                         | 1,837.40     | 26 Oct 90 |
| ECCM Module, less KGY10   | 558.85       | 26 Oct 90 |
| Prepost Filter  | 825.10       | 26 Oct 90 |
| Control Interface Modified F/IRIS                                 | 1,433.50     | 26 Oct 90 |
| Low Altitude Surveillance Radar (LASR)<br>(AN/TPQ-36-Commonality) | 73,361.00    |           |
| Firefinder Training Device (AN/TPQ 36-37)                         | 2,063,000.00 |           |
| TAS-5, Night Sight (MODFLIR)                                      | 1,830.00     |           |

|   |            |           |
|---|------------|-----------|
| TOW Missile System                                    |            |           |
| AN/VAS-12A(TOW)                                       | 3,121.00   | 26 Aug 85 |
| TAS-4, Night Sight (MODFLIR)                          | 2,773.00   | 16 Sep 77 |
| Closed Cycle Cooler (4a, b & c)                       | 348.00     | 16 Sep 77 |
| TAS-6, Night Sight (MODFLIR)                          | 3,010.00   | 16 Sep 77 |
| Closed Cycle Cooler (6a)                              | 348.00     | 16 Sep 77 |
| PATRIOT Missile System                                |            |           |
| Ant Mast Set  | 131,906.00 | 18 Nov 82 |
| ICC (formerly Command Control System, CCS)            | 431,188.00 | 18 Nov 82 |
| Communication Relay System                            | 187,452.00 | 18 Nov 82 |
| BMG Maintenance Group                                 | 122,623.00 | 18 Nov 82 |
| Arm Decoy   | 180,855.00 | 18 Nov 82 |
| EPU   | 97,334.00  | 18 Nov 82 |
| AN/TVQ2 (GLLD) (HELLFIRE)                             | 16,262.00  | 20 May 87 |
| AN/TSQ-73, Missile Minder                             |            |           |
| CMOS Memory Expansion PIP                             | 152,170.00 |           |
| Launcher, Air-to-Air (1440-01-244-9681)               | 2,873.55   | 11 Dec 90 |
| Launcher, Rocket Aircraft, 2.75",                     |            |           |
| M260 1055-01-70-9113 (HYDRA-70)                       | 438.94     |           |
| Launcher, Rocket Aircraft, 2.75",                     |            |           |
| M261 1055-01-71-0064 (HYDRA-70)                       | 438.94     |           |
| Launcher, Standard Vehicle Mounted (1430-01-293-3750) | 3,763.65   | 11 Dec 90 |
| Rocket Motor, MK66, MOD1 1340-01-108-8864             | 10.63      |           |
| Rocket, 2.75" Warhead Multipurpose Submunition        |            |           |
| (MPSM) 1340-108-8850                                  | 33.32      |           |
| Rocket Motor, MK66, MOD2 1340-01-154-1680             | 10.63      |           |
| M2361 Multi-Purpose Submunitions Warhead              | 33.32      |           |
| Position and Azimuth Determining System,              |            |           |
| AN/USQ-70 (PADS)                                      | 2,432.00   |           |
| M308 LAMP-H   |            |           |
| B Facility Intrusion                                  |            |           |
| Base Shop Test Facility (BSTF)                        | 139,701.00 | 24 Apr 91 |

## NAVY NONMAJOR DEFENSE EQUIPMENT

| ITEM | Code | UNIT NC | Date NC<br>Charge<br>Approved |
|------|------|---------|-------------------------------|
|------|------|---------|-------------------------------|

CATEGORY I - FIREARMS

NONE

CATEGORY II - ARTILLERY AND PROJECTILES

|                                |           |        |
|--------------------------------|-----------|--------|
| Assault Gun 75mm Smooth Bore   |           |        |
| Delta 3 (XM274)                | 10,100.00 | Jan 90 |
| MK-19 Mod 3, 40mm Machine Gun  | 566.00    | Nov 89 |
| MK-64 Mod 4, Machine Gun Mount | 110.00    | Nov 89 |
| MK-64 Mod 5                    | 95.00     | Nov 89 |
| MK-64 Mod 6                    | 103.00    | Nov 89 |
| MK-64 Mod 7                    | 150.00    | Nov 89 |
| MK-64 Mod 8                    | 73.00     | Nov 89 |

**CATEGORY III - AMMUNITION****PHALANX CIWS MK-149 Round 20 mm**

|                              |       |        |
|------------------------------|-------|--------|
| Cartridge 20mm MK-149 MOD2   | .67   | Jul 86 |
| Cartridge 20mm TP            | .16   | Jul 86 |
| Cartridge 20mm PGU-18/B Ammo |       |        |
| Cartridge Dummy              | .21   | Jul 86 |
| MK-404 IR Proximity Fuze     | d     |        |
| MK-417 Mod 5 Round           | 17.80 | Aug 89 |
| MJU-8/B Decoy Flare          | 1.06  | Mar 85 |
| Round                        |       |        |
| 75mm Air Defense             |       |        |
| AAI/SETI IR Proximity Fuze   |       |        |
| MK-404 IR Proximity Fuze     |       |        |
| XM884 H.E. W/EX442 Mod Fuze  | 65.00 | Jan 90 |
| Round, XM885 Delta 3         |       |        |
| APFSDS (105mm)               | 55.00 | Jan 90 |

**CATEGORY IV - LAUNCH VEHICLES, GUIDED MISSILES, BALLISTIC MISSILES, ROCKETS, TORPEDOES, BOMBS AND MINES**

|   |                     |        |
|---|---------------------|--------|
| Fuze FMU-139/B  | 14.69               | Aug 86 |
| Harpoon AN/SWG-1A ORDALT Kit  | 20,690.00           | Mar 86 |
| Harpoon Encap Steer-Off Capsule                                     | h 3,000.00          | Jun 86 |
| Encapsulated Harpoon Command Launch System (EHCLS)                  |                     |        |
| a. Harpoon Data Processor Computer (HDP)                            | 3,250.00            | Dec 86 |
| b. Integrated Encapsulated Harpoon Command Launch System (software) | 26,941.00           | Oct 86 |
| [The federated system recoupment is "a" plus "b"]                   |                     |        |
| [The integrated system recoupment is "b" only]                      |                     |        |
| Mine MK-25  | 250.00              | Sep 83 |
| Mine MK-52  | 412.00              | Sep 83 |
| Mine MK-55  | 498.00              | Sep 83 |
| DST Kits MK-75  | 131.00              | Sep 83 |
| Mine MK-49  | a                   |        |
| Rocket Motor MK-52  | 98.65               | Nov 85 |
| War Head MK-38  | 84.05               | Nov 85 |
| NATO Seasparrow Surface Missile System                              | 10 % of Production. | Apr 84 |
| Target Systems  |                     |        |
| Torpedo Target MK-27  | c                   |        |
| Transponder MK-1, MOD1  | d                   |        |
| Underwater Target MK-38 (MR)  | d                   |        |
| Acoustic Target MK-39 (EMATT)                                       | c                   |        |
| ASW Mobile Target MK-30 MOD 1                                       | 100,120.00          | Mar 85 |
| SM2 ORDALT, MK-13, MOD 4 (GMLS)                                     | 30,000.00           | Jun 86 |
| AN/SLQ-25 Nixie Decoy   |                     |        |
| Torpedo, MK-37  | d                   |        |
| Quickstrike   | c                   |        |
| Captor  | c                   |        |
| SLMM  | c                   |        |
| MK-214 Seduction Cartridge for NATO Sea Gnat                        | 1,214.00            | Nov 85 |
| MK-214 Seduction Cartridge for NATO Sea Gnat                        | b/g 127.00          | Nov 85 |
| (used with MK-36 launchers)   |                     |        |
| Control Power Supply (CWI) C-10609/SPG (Modified)                   |                     |        |

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## DoD Financial Management Regulation

|  |            |          |
|--|------------|----------|
| (used w/OT-134 P/O MFCSMK 74, Mod 14)                                | 17,500.00  | Mar 87   |
| Surface Ship Radiated Noise Measure Station (SSRNM)                  | 101,117.00 | Mar 87   |
| Target MK 40 MOD 2   | 176,246.00 | Mar 88   |
| Transponder MD-1 Mod 1 d   | 0.00       |          |
| Encapsulated Harpoon Command Launch System                           |            |          |
| a. Harpoon Data Processor Computer (HDP)                             | 3,250.00   | Dec 86   |
| b. Integrated Encapsulated Harpoon Command Launch System (Software)  | 26,941.00  | Oct 86   |
| AN/AWG-19 C(V)1 Harpoon Aircraft Command Launch Control Set (HACLCS) | 16,900.00  | Jan 88   |
| Harm AGM-88A RT-1198A (Telemetry)                                    | 6,000.00   | Jun 87   |
| Harpoon, Booster Propellant  | 100.00     | Feb 90   |
| Mine MK-36   | 0.00       | (N/A)    |
| Mine MK-37   | 0.00       | Mar 90   |
| Mine MK-38   | 0.00       |          |
| Mine MK-39 e   |            |          |
| Missile, SIDEARM   | 5,014.00   | Aug 90   |
| MK-216 SEA GNAT Cartridge b  | 145.00     | 1 Apr 92 |
| MK-216 SEA GNAT Cartridge  | 127.00     | Mar 90   |
| MK-27 Torpedo Target c   |            |          |
| MK-32 MOD 5 (SVTT)   | 15,000.00  | Mar 91   |
| MK-32 MOD 7 (SVTT)   | 16,250.00  | Mar 91   |
| MK-32 MOD 9 (SVTT)   | 17,500.00  | Mar 91   |
| MK-32 MOD 14 (SVTT)  | 25,000.00  | Mar 91   |
| MK-37 Torpedo  | 0.00       | Mar 90   |
| Demolition Linear Charge HE M58A4                                    | 506.00     | Jun 90   |
| MK-155 MOD 1 Mine Clearance Launcher                                 | 206.00     | Jun 90   |
| MK-429 MOD 1 Air Charging Panel                                      | 3,750.00   | Mar 91   |

CATEGORY V - PROPELLANTS, EXPLOSIVES AND INCENDIARY AGENTS

NONE

CATEGORY VI - VESSELS OF WAR AND SPECIAL NAVAL EQUIPMENT

|  |            |          |
|--|------------|----------|
| FFG-7 (Stabilizer)                           | 129,412.00 | Mar 83   |
| SDV - Swimmer Delivery vehicle MK-8 d        |            |          |
| LM-2500 Marine Gas Turbine Prop Sys          | 187,500.00 | Nov 89   |
| LM-2500 Gas Generator                        | 120,000.00 | Nov 89   |
| LM-2500 Power Turbine                        | 60,000.00  | Nov 89   |
| LM-2500 Marine Gas Turbine Propulsion System | 7,840.00   | 7 May 92 |
| LM-2500 Industrial Gas Turbine               | 5,317.00   | 7 May 92 |

CATEGORY VII - TANKS AND MILITARY VEHICLES

|                              |      |        |
|------------------------------|------|--------|
| M353 General Purpose Trailer | 0.00 | Jun 90 |
|------------------------------|------|--------|

CATEGORY VIII - AIRCRAFT, SPACECRAFT AND ASSOCIATED EQUIPMENT

|                          |            |        |
|--------------------------|------------|--------|
| A-3A/TA-3B (less engine) | 103,272.00 |        |
| A-3B (less engine)       | 113,278.00 | Aug 83 |

|                                  |            |        |
|----------------------------------|------------|--------|
| C-1A (less engine)               | 19,438.00  | Aug 83 |
| C-117 (less engine)              | 4,400.00   | Aug 83 |
| C-118 (less engine)              | 42,000.00  | Aug 83 |
| C-121 (less engine)              | 87,763.00  | Aug 83 |
| E-2C ECP 331R1, ECP 324RI (Kit)  | 185,470.00 | Jan 88 |
| EA-3B (less engine)              | 80,653.00  | Aug 83 |
| P-3B Mod Dit OSIP 53-72          | 1,957.00   |        |
| RA-3B (less engine)              | 91,829.00  | Aug 83 |
| T-28B (less engine)              | 3,751.00   | Aug 83 |
| T-28C (less engine)              | 4,033.00   | Aug 83 |
| T-34B (less engine)              | 1,329.00   | Aug 83 |
| T-34C                            | 8,153.00   | Mar 83 |
| T-39D (less engine)              | 30,844.00  | Aug 83 |
| Aerial Target AQM-37A            | 3,148.00   | Apr 84 |
| Aerial Target AWM-37C            | 5,200.00   | Apr 84 |
| Aerial Target BQM-34S (Firebase) | 26,222.00  | May 91 |
| Aerial Target BQM-74C            | 5,280.00   | Apr 84 |

**Engines**

|  |   |            |        |
|--|---|------------|--------|
| F-401-PW-400A, -401                        | c |            |        |
| GE-38                                      | e | 30,894.00  | Jun 91 |
| J-65-W-20-420                              |   | 4,400.00   | Aug 83 |
| J-65-W-16                                  |   | 2,600.00   |        |
| O-470-4                                    |   | 120.00     | Aug 83 |
| R1820-80A/80B                              |   | 1,600.00   | Aug 83 |
| R1820-86A/86B                              |   | 1,880.00   | Aug 83 |
| R1820-82A/B/C                              |   | 2,160.00   | Aug 83 |
| R2800-52W                                  |   | 1,640.00   | Aug 83 |
| R3350-42                                   |   | 2,240.00   | Aug 83 |
| T-76-G-420/421                             |   | 9,300.00   | Jul 80 |
| T-400-CP-400                               | e | 7,932.00   | Oct 85 |
| F-27 Harpoon Mod                           |   | 433,000.00 | Dec 88 |
| Gyrodyne Model 63                          | i | 0.00       | Nov 86 |
| LM-1600                                    |   | 30,744.00  |        |
| LM-1600                                    |   | 36,580.00  | Mar 88 |
| QH-50 C/D/E Dash Drone Helicopter          | d | .00        | Nov 86 |
| Aerial Target BQM Derivative CHUKAR II/III |   | 10,652.00  | Nov 89 |
| Aerial Target Drone BQM-74C                |   | 11,836.00  | Nov 89 |
| CP-140A Acft (Derivative of P-3C)          |   | 636,015.00 | Jan 90 |
| CP-140A AFCS ASW-31/503                    |   | 10,150.00  | Jan 90 |
| CP140A IFF Transponder APX-71/100          |   | 400.00     | Jan 90 |
| CP-140A Radar APX-115/134                  |   | 32,653.00  | Jan 90 |
| CP-140A TACAN ARN-118                      |   | 593.00     | Jan 90 |
| MK-7 Mod 3 Arresting Gear                  |   | 72,525.00  | Jul 89 |
| NRU-33 Bomb Rack                           | e |            |        |
| Mod Kit OSIP 53-73                         |   | 1,957.00   |        |
| P-3C Update III A/C                        |   | 586,349.00 | Nov 89 |

**CATEGORY IX - MILITARY TRAINING EQUIPMENT**

|  |   |           |           |
|--|---|-----------|-----------|
| AIM/RIM-7P Missile Guidance and Control System |   | 32,750.00 | 24 Apr 91 |
| Harpoon Certification & Training Vehicle (CTV) | h | 10,835.00 | Jun 86    |

|  |              |        |
|--|--------------|--------|
| P-3C (Simulator) Flight Improvement Program              | 50,000.00    |        |
| FFG-7 Prop Engr Control Sys Maintenance Trainer          | 0.00         | Apr 90 |
| MH-53E Helicopter Operational Flight Trainer             | 0.00         | Apr 90 |
| MK-13, Launcher Maintenance and Operational Training Sys | 0.00         | Jun 90 |
| Simulator SH-60F (CV-Helo)                               | e            |        |
| SPY-1 Non Radiating Suite - Miscellaneous                | 720,000.00   | Nov 89 |
| SPY-1 Non Radiating Suite - Signal Processor             | 1,970,000.00 | Nov 89 |
| SPY-1 Radiating Suite - Antenna                          | 2,260,000.00 | Nov 89 |
| SPY-1 Radiating Suite - Miscellaneous                    | 1,350,000.00 | Nov 89 |
| SPY-1 Radiating Suite - Signal Processor                 | 1,980,000.00 | Nov 89 |
| SPY-1 Radiating Suite - Transmitters/Tubes               | 1,910,000.00 | Nov 89 |
| Surface ASW Trainer, Device 14A12                        | 777,500.00   | Oct 89 |

**CATEGORY X - PROTECTIVE PERSONNEL EQUIPMENT**

NONE

**CATEGORY XI - MILITARY AND SPACE ELECTRONICS**

|   |   |                      |
|---|---|----------------------|
| AN/DKT-27 (Standard Missile)                          | d |                      |
| AN/DKT-38 (Harpoon)                                   | d |                      |
| AN/DKT-38 (Sparrow)                                   | d |                      |
| AN/SQQ-14 Mine Hunting Sonar IT (Comm)                |   | 300,000.00 Jul 91    |
| AN/SQQ-30 Mine Hunting Sonar                          |   | 200,000.00 Jun 88    |
| AN/SQR-18A  |   | 267,069.00           |
| AN/SQR-18A(V)   |   | 601,837.00 24 May 84 |
| AN/SSQ-36   |   | 28.00                |
| AN/SSQ-36   |   | 7.00 28 Mar 89       |
| AN/SSQ-41 A/B   |   | 3.00                 |
| AN/SSQ-41 A/B   |   | 8.50 28 Mar 89       |
| AN/SSQ-47   | d |                      |
| AN/SSQ-52B  |   | 63.00                |
| AN/SSQ-53A/B  |   | 20.00                |
| AN/SSQ-53A/B  |   | 13.00 28 Mar 89      |
| AN/SSQ-53D  |   | 16.00 Jul 90         |
| AN/SSQ-57A  |   | 65.00                |
| AN/SSQ-57A  |   | 9.00 28 Mar 89       |
| AN/SSQ-62A  |   | 124.00               |
| AN/SSQ-62A  |   | 63.00 28 Mar 89      |
| AN/TSQ-108 Radar/Sonar Van                            | d |                      |
| R6299 Digital Computer Subsystem<br>for AWG-12A Radar | d |                      |
| AN/APR-43 Radar Warning Receiver                      |   | 35,523.00 Oct 84     |
| AN/APR-43 Radar Warning Receiver                      | j | 6,054.00 Sep 86      |
| AN/ALQ-162(V)   |   | 22,749.00 Oct 83     |
| AN/ALQ-162 OTPS (used on USM-458B)                    |   | 10,528.00 Jul 89     |
| AN/ALR-45F  |   | 27,338.00 Sep 84     |
| AN/ALR-45F  | j | 5,506.00 Sep 86      |
| AN/ALR-606  | d |                      |
| AN/SSQ-77A  |   | 310.00               |
| AN/SSQ-77A  |   | 27.00 Mar 88         |
| AN/AQA-7V (add to P-3C NC)                            |   | 25,583.00            |
| AN/AQA-7 (V) 8/9 (ADD TO P-3C NRC)                    |   | 25,583.00 Aug 90     |
| Submarine Towed Array Sonar System                    |   |                      |

|  |   |              |           |
|--|---|--------------|-----------|
| (STASS)  | d |              |           |
| LAMPS MK III Proteus Interface                   | g | 71,366.00    |           |
| TACAMP EMP                                       |   | 433,333.00   | Feb 86    |
| TAMCO Hardening                                  |   | 439,451.00   | Feb 83    |
| Turbine Pump Ejection System                     |   |              |           |
| TPES MK-19 MOD 0                                 | d | 0.00         |           |
| TPES MK-17 MOD 0                                 |   | 60,000.00    | Jun 86    |
| MK-186 Torch IR Decoy                            |   | 491.00       | Aug 85    |
| AN/WLR-1(H)                                      |   | 48,050.00    | Sep 85    |
| AN/WLR-1(H) (V) ESM Syst                         |   | 75,000.00    | Jun 86    |
| Classic Flaghoist, AN/FSQ-138                    |   |              |           |
| Out-station Comm System (OCS)                    |   | 338,300.00   | Jan 86    |
| AN/TPS-31  | c | 0.00         |           |
| Magnetic Anomaly Detection (MAD) Bouy            |   | 50.00        | Mar 91    |
| AS-3112A/SRD (VHF/UHF Mast Mounted Antenna)      |   | 21,000.00    | Jan 91    |
| AN/UPM-155, IFF Radar Test Set                   |   | 2,700.00     | May 91    |
| AN/TPS-59  | c | 1,196,172.00 | Jan 86    |
| AN/TPS-59  | j | 501,915.00   | Sep 87    |
| AN/TPS-59 Mod Kit                                | e | 3,800.00     | Jun 86    |
| AN/TPS-59M/34 3 D Search Radar                   |   | 48,585.00    | Jan 89    |
| AN/WSC-3V UHF Radio                              |   | 1,068.70     | May 86    |
| AN/WSC-3V UHF Radio                              |   | 1,300.00     | Mar 89    |
| AN/WSC-3V UHF Radio                              |   | 2,100.00     |           |
| AN/WSC-3 (V) 6/7, UHF Transceiver Line-of-Sight  |   | 1,191.00     | Jul 89    |
| AN/WSC-3 (V) II Have Quick II Mod Kit            |   | 800.00       | May 89    |
| AN/WSC-3 (V) 15, UHF Transceiver, DAMA SATCOM    |   | 1,533.00     | Jul 89    |
| AN/WSC-6 (V) 2 RNLN Set                          |   | 96,942.00    | Feb 90    |
| FLTSATCOM Tactical Data Info. Subsystem (TADIXS) | c |              | May 86    |
| a. AN/UYK-44 Signal Processor                    |   | 12,500.00    | May 86    |
| b. AN/UYK-44 Data Processing Set                 |   | 6,250.00     | May 86    |
| c. ON-143(V)6 Interconnecting Group              |   | 3,000.00     | May 86    |
| d. AN/USH-26 Magnetic Tape                       |   | 2,500.00     | May 86    |
| AN/USH-26 Magnetic Tape                          |   | 2,000.00     | 28 Mar 89 |
| e. AN/UGC-136BX Teletypewriter                   |   | 1,600.00     | May 86    |
| AN/UGC-136BX Teletypewriter                      |   | 1,200.00     | Feb 89    |
| f. AN/USQ-96 Video Display                       |   | 1,750.00     | May 86    |
| g. CDCV1867-20 Disk w/475 Controller             |   | 5,000.00     | May 86    |
| Officer in TACOM Info EX System (OTCIXS)         | c |              | May 86    |
| a. ON-143(V)6 Interconnecting Group              |   | 3,000.00     | May 86    |
| b. AN/UGC-136BX Teletypewriter                   |   | 1,600.00     | May 86    |
| AN/UGC-136BX Teletypewriter                      |   | 1,200.00     | Feb 89    |
| c. AN/USQ-96 Video Display                       |   | 1,750.00     | May 86    |
| TACINTEL Info EX System (TACINTEL)               |   |              |           |
| a. AN/UYK-20 Data Processing Set                 |   | 5,250.00     | May 86    |
| b. AN/USQ-69 Video Display                       |   | 3,600.00     | May 86    |
| AN/USQ-69 Video Display                          |   | 2,250.00     | 28 Mar 89 |
| c. AN/USH-26 Magnetic Tape                       |   | 2,500.00     | May 86    |
| AN/USH-26 Magnetic Tape                          |   | 2,000.00     | 28 Mar 89 |
| d. ON-143(V)4 Interconnecting Group              |   | 2,200.00     | May 86    |
| e. RD397B(V)1 Paper Tape Recorder                |   | 1,950.00     | May 86    |
| f. TT-624(V)6 Teletypewriter                     |   | 2,500.00     | May 86    |
| TT-624(V)6 Teletypewriter                        |   | 1,500.00     | 28 Mar 89 |

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|  |                 |           |
|--|-----------------|-----------|
| g. RD-433/SSH Magnetic Disk  | 6,250.00        | May 86    |
| h. IP-1187A Video Display  | 850.00          | May 86    |
| i. AN/USH-22 Magnetic Tape   | 1,100.00        | May 86    |
| j. AN/USH-23 Magnetic Disk   | 2,000.00        | May 86    |
| Combat DF Comms  | 61,111.00       |           |
| TD 1271 Demand Assigned Multiple Access                              | 5,400.00        | May 86    |
| Def. Satellite Communications OM-55                                  |                 |           |
| SHF Modem  | 31,500.00       | May 86    |
| ANWSC-6 (SHF Terminal)   | 168,500.00      | May 86    |
| Avionic Fault Tree Analyzer (AFTA)                                   | h 132,718.00    | Oct 85    |
| AN/SSR-1A Satellite Receiver (Motorola)                              | d 0.00          |           |
| Submarine Satellite Information Exchange System (SSIXS)              |                 |           |
| a. AN/UYK-20 Data Processing Set                                     | 5,250.00        | May 86    |
| b. ON-143(V)4 Interconnecting Group                                  | 2,200.00        | May 86    |
| c. RD397B(V)1 Paper Tape Recorder                                    | 1,950.00        | May 86    |
| d. TT-624(V)6 Teletypewriter   | 2,500.00        | May 86    |
| TT-624(V)6 Teletypewriter  | 1,500.00        | Mar 89    |
| e. IP-1187A Video Display  | 850.00          | May 86    |
| f. AN/USH-22 Magnetic Tape   | 1,100.00        | May 86    |
| g. AN/USH-23 Magnetic Disk   | 2,000.00        | May 86    |
| h. ON-143(V)6 Interconnecting Group                                  | 3,000.00        | May 86    |
| i. AN/UGC-136BX Teletypewriter                                       | 1,200.00        | May 86    |
| Machine Transferrable Support Software (MTASS/M) UYK-20/UYK-14, Etc. | 4,250.00        | Mar 86    |
| Machine Transferrable Support Software (MTASS/M) UYK-20/UYK-14, Etc. | 4,000.00        | 28 Mar 89 |
| AAS-38 FLIR Pod/Nite-Owl (All models)                                | 70,238.00       | Feb 86    |
| AN/APM-446 Radar System Test Set (F-18)                              | 80,000.00       | Jan 89    |
| AN/BRT-6 UHF SATCOM Buoy   | 500.00          | May 86    |
| AN/BRT-6 UHF SATCOM Buoy   | 1,650.00        | Jul 86    |
| AN/TSQ ELINT Collection Out-station                                  | 85,000.00       | Jun 86    |
| AN/SSQ-93 Crypto   | 50,000.00       | Jun 86    |
| Classic Coyote (Vulnerability Assessment)                            | 310,000.00      | Jun 86    |
| Classic Coyote (Vulnerability Assessment)                            | 325,000.00      | Sep 87    |
| AN/ASN-124 w/1553 Data   |                 |           |
| Bus (Lier Siegler, Inc) (P-3)  | 35,566.00       | Jan 86    |
| AN/ASA-66 TACCO/PILOT Display (LORAL INT) (P-3)                      | 1,758.00        | Jan 86    |
| LTN-72RL (LITTON) (P-3)  | d               | Jan 86    |
| AN/AGC-9 RD 461 Teletype/Recorder (SCIS System) (P-3)                | d               | Jan 86    |
| AN/ARC-164 VHF   | USAF COG 278.70 | Jan 86    |
| AN/AQA-7(V)/Computer Recorder GP Sonar (MAGNAVOX) (P-3)              | 33,750.00       | Jan 86    |
| AN/ASA-76A Sonobuoy (MAGNAVOX) (P-3)                                 | 7,500.00        | Jan 86    |
| AN/ASA-76A Generator Transmitter Group Sonobuoy (P-3)                | 752.00          | Jan 86    |
| AN/ARN-118 TACAN (Rockwell)  | USAF COG 593.25 | Jan 86    |
| DF-206 (Rockwell)  | d               | Jan 86    |
| AN/ARA-50 D.F.   | 0.00            | May 89    |
| VIR-31A VHF/BCN/ILS (Rockwell)                                       | d               | Jan 86    |



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|---|----------|-----------|--------|
| AN/ARC-182 VHF/UHF (Rockwell) (P-3)                     |          | 1,672.00  | Jan 86 |
| AN/ARC-161 HF Radio (RCA) (P-3)                         |          | 9,661.00  | Jan 86 |
| AN/APX-76B Interrogator (P-3)                           | USAF COG | 1,173.40  | Jan 86 |
| AN/APX-76B Interrogator (P-3)                           |          | 11,173.40 | May 89 |
| GNS-550A VLR/OMEGA NM Stst<br>(CLOBAL SYST) (P-3)       | d        | 0.00      | Jan 86 |
| AN/AJN-15 FLT Director (Astronautics) (P-3)             | d        |           | Jan 86 |
| AN/ARR-72 W/SG-791 Sonobuoy<br>(EDMAC Associates) (P-3) | d        |           | Jan 86 |
| AN/AQH-4(V) Tape Recorders                              |          | 0.00      |        |
| Precision Echo Inc (TAPE RCDR) (P-3)                    |          | 4,871.00  | Jan 86 |
| AN/UYK-43(V) Date Processing Set                        |          | 20,000.00 | Sep 86 |
| AN/AAR-47 Missile Warning Set                           |          | 4,772.00  | Sep 86 |
| AN/AAS-36   |          | 26,072.00 | Jan 86 |
| AN/AAS-36 IRDS  |          | 17,742.00 | Jan 86 |
| AN/ACQ-5A Data Terminal Set                             |          | 7,767.00  | Jan 86 |
| AN/AGC-6 Teletypewriter Set                             |          | 4,819.00  | Jan 86 |
| AN/AIC-32 ICS   |          | 9,375.00  | May 87 |
| AN/ALE-39 CM Dispenser                                  |          | 291.00    | Sep 86 |
| AN/ALQ-78A ECM Countermeasure Set                       |          | 17,627.00 | Jan 86 |
| AN/ALQ-157 IR Jammer                                    |          | 4,250.00  | Sep 86 |
| AN/ALQ-158 (V)1   |          | 11,407.00 | Jan 86 |
| AN/ALQ-158 (V)1 Adaptive Control Phased Array           |          | 529.00    | Jan 86 |
| AN/ALQ-162 CW Jammer                                    |          | 8,700.00  | Sep 86 |
| AN/ALR-66(V) ESM Rcvr. (GEN INST) (P-3)                 |          | 13,750.00 | Jan 86 |
| AN/ALR-66(V) ESM Rcvr. (GEN INST) (P-3)                 |          | 18,750.00 | Jan 86 |
| AN/ALR-66 ESM Receiver                                  |          | 13,750.00 | May 89 |
| AN/ALR-66 ESM Receiver                                  |          | 18,750.00 |        |
| AN/ALR-67 Radar Warning Receiver                        |          | 18,145.00 | Nov 86 |
| AN/APS-115B   |          | 25,878.00 | Jan 86 |
| AN/APS-115B Radar Set                                   |          | 25,878.00 | May 89 |
| AN/APS-134 Radar (P-3) Derivative of APS-116            |          | 32,653.00 | Jan 86 |
| AN/APS-134 Radar (T.I.) (P-3)                           |          | 60,000.00 | Jan 86 |
| AN/APX-72 IRF   |          | 400.00    | Jan 86 |
| AN/APX-72 IRF   |          | 0.00      | May 89 |
| AN/AQS-14 Sonar Detecting Set                           |          | 75,000.00 | Aug 86 |
| AN/AQS-18 Active Dipping Sonar                          | d        | .00       | Jan 87 |
| AN/ARC-143B   |          | 6,439.00  | Jan 86 |
| AN/ARC-143B VHF Radio                                   |          | 6,400.00  | Jan 86 |
| AN/ARN-99 Omega Navigation Set                          |          | 2,264.00  | Jan 86 |
| AN/ARR-78(V)3   |          | 20,000.00 | Jan 86 |
| AN/ARR-78(V)3 Advanced Sonobuoy Comm Line               |          | 22,873.00 | Jan 86 |
| AN/ARS-3 Sonobuoy Ref System                            |          | 7,029.00  | Jan 86 |
| AN/ASA-64A  |          | 1,762.00  | Jan 86 |
| AN/ASA-64A Sub Anomaly Detecting Group                  |          | 721.00    | Jan 86 |
| AN/ASA-65A(V)   |          | 3,297.00  | Jan 86 |
| AN/ASA-65A(V) Magnetic Compensator Gp                   |          | 3,897.00  | Jan 86 |
| AN/ASA-70   |          | 31,560.00 | Jan 86 |
| AN/ASA-70 Tach Data Display Gp.                         |          | 41,745.00 | Jan 86 |
| AN/ASH-34(V) Digital Tape Cartridge                     |          | 3,500.00  | May 87 |
| AN/ASQ-81(V)1   |          | 4,775.00  | Jan 86 |

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| AN/ASQ-81(V)1 Magnetic Detecting Set  | 4,160.00     | Jan 86    |
| AN/ASQ-114(V)4  | 21,860.00    | Jan 86    |
| AN/ASQ-114(V)4 Computer Set   | 41,370.00    | Jan 86    |
| AN/ASQ-196 Digital Map Set  | 7,400.00     | May 87    |
| AN/ASW-31 Auto Flt Control System   | 10,150.00    | Jan 86    |
| AN/AYA-8 B/C  | 114,913.00   | Jan 86    |
| AN/AYA-8 B/C Data Analysis Programming Gp   | 101,869.00   | Jan 86    |
| AN/AYK-14 Computer  | 5,250.00     | May 87    |
| AN/AYK-14 Computer  | 5,497.00     | 28 Mar 89 |
| AN/BLD-1 DF System (Litton)   | 1,395,000.00 | Jun 86    |
| AN/BLD-1 DF System (Litton)   | 75,000.00    | 28 Mar 89 |
| AN/PSC-2 Digital Comm Terminal Used w/MIFASS  | 1,000.00     | Jun 86    |
| AN/SLQ-48 Mine Neutralization System  |              | c         |
| AN/SPN 47 Shipboard Marine Remote Area Approach & Landing System (SMRAALS) (Kearfott) | 90,000.00    | Jun 86    |
| AN/SRS-1 Communication Analyzer   |              | c         |
| AN/TPN-30 Approach Radar (Kearfott)   | 7,500.00     | Jun 86    |
| AN/TPN-30 Approach Radar (Kearfott)   | 8,500.00     | Jun 86    |
| AN/TPS Radar (Mod Kit)  | 3,850.00     | Aug 86    |
| AN/URT-26 Crash Locater (LEIGH INST) (P-3)  |              | d         |
| AN/USC-42 (V)1  | 4,750.00     | May 86    |
| AN/USQ-78(V)3   | 60,682.00    | Jan 86    |
| AN/USQ-78(V)3 Display Control Set   | 60,174.00    | Jan 86    |
| AN/USQ-78 (V) 4 Commandable Entry Panel, Circuit Board                                | 0.00         | Jul 90    |
| AN/UYB Enhanced Modular Signal Processor (EMSP)                                       |              | c         |
| AN/UYIS-1 Advanced Signal Processor   |              | May 87    |
| BQQ-5   | 57,464.00    |           |
| BSY-1 (ECP 101)   | 47,561.00    |           |
| BSY-1   | 46,686.00    |           |
| Lamps   | 19,518.00    |           |
| MGT-5   | 17,774.00    |           |
| MGT-7   | 19,654.00    |           |
| P-3/AU  | 24,633.00    |           |
| P-3/DCU   | 23,844.00    |           |
| S-3   | 23,942.00    |           |
| SQQ-89T   | 22,402.00    |           |
| SQR-19  | 18,141.00    |           |
| SQS-53B   | 16,192.00    |           |
| SQS-53C1/ECP-41   | 17,854.00    |           |
| SURTASS   | 18,173.00    |           |
| AN/WLR-8 ESM System (Sylvania)  | 101,500.00   | Jun 86    |
| CU 2070 ARC Antenna Couplers (Sperry) (P-3)   |              | d         |
| CU 2270 BRC Antenna Coupler   | 2,590.00     | Jul 91    |
| CV-2461 A/A Signal Data Converter   | 6,737.00     | Jan 86    |
| MK-33 Chaff Launching System  | 0.00         | Aug 86    |
| MK-34 Chaff Launching System  | 0.00         | Aug 86    |
| MK-36 Chaff Launching System  | 0.00         | Sep 87    |
| MK-105 Magnetic Minesweeping Equipment  | 16,574.00    | Aug 86    |
| MK-171 Chaff RBOC, MK-193, MK-196   | 0.00         | Sep 87    |
| MK-182 Chaff SRABOC MOD 1   | 61.00        | Sep 87    |
| P-3C ECP 953R2C1  | 35,278.00    | May 87    |

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|---|------------|--------|
| P-3C ECP 972C1  | 70,534.00  | May 87 |
| SB-3865 P/TTC Telephone Switchboard                   | 10,650.00  | Jun 86 |
| SG-1156A  | 2,475.00   | Jan 86 |
| SG-1156A Acoustic Test Signal Generator               | 2,879.00   | Jan 86 |
| TD-900 A/AS Code Generator (Airpax Corp) (P-3) d      |            | Jan 86 |
| TD-900 A/AS Code Generator (P-3)                      | 0.00       | May 89 |
| Telemetry Section RT-1198A (for Harm ACM-88A)         | 6,000.00   | Jun 87 |
| Link 16 JTIDS (AF)                                    | 50,828.00  |        |
| SH-60F/S-70C(M) Avionics                              | 99,140.00  | Jun 87 |
| AN/SLQ-25 Torpedo Countermeasure                      | 10,450.00  | Sep 87 |
| AN/TPS-73 Radar (Used with MATCACs)                   | 143,600.00 | Jan 88 |
| FCS MK74 CWI Radar Transmitter T-1480                 | 28,500.00  | Feb 88 |
| Stores Management System (F-18)                       | 2,353.00   | Mar 87 |
| AN/WQM-6 (SATS) d                                     |            | Mar 88 |
| AN/SRC-16 Antenna Coupler                             |            | Mar 88 |
| AN/WSN-5 Internal System                              | 17,500.00  | Mar 88 |
| AN/USQ-83 Multi Mode Modem                            | 7,750.00   | Apr 88 |
| AN/USQ-83 Multi Mode Modem                            | 6,500.00   | Aug 88 |
| OL-337(V)1/AY (Replace AN/AYA-8B)                     | 54,291.00  | May 88 |
| AN/VPX-29(V) Interrogator Aegis Subsystem             | 100,000.00 | May 88 |
| AN/PRC-104B (V)                                       | 733.00     | May 88 |
| AN/GRC-213A (V)                                       | 918.00     | May 88 |
| AN/GRC 193B (V)                                       | 1,643.00   | May 88 |
| Prototype Ocean Surveillance Terminal (POST) Software | 1,000.00   | Jun 88 |
| SA-2112A(V) 1-6 Black Analog Switch                   | 37,250.00  | Jun 88 |
| SA-2112A(V) 1-6 Red Analog Switch                     | 29,000.00  | Jun 88 |
| AN/PDR-65 (AEGIS) d                                   |            | Jul 88 |
| Transducer/Array TR-237 d                             |            | Jul 88 |
| Transducer/Array TR-238 d                             |            | Jul 88 |
| Transducer/Array TR-208A d                            |            | Jul 88 |
| 81P HP  | 0.00       | May 89 |
| AAU-32/A  | 0.00       | May 89 |
| Aero 1A Adapters                                      | 0.00       | May 89 |
| Aerostat Airborne Radar Sys e                         |            |        |
| AN/ALQ-142 Countermeasures Receiving Set              | 27,680.00  | Oct 89 |
| AN/ALR-76 Electronic Support Measures (ESM)           | 35,759.00  | Jul 89 |
| AN/ALR-80 (V) I Radar Warning Receiver e              |            |        |
| AN/APN-194 (V) 1                                      | 0.00       | May 89 |
| AN/APN-217 (V) 3 e                                    |            |        |
| AN/APN-227  | 0.00       | May 89 |
| AN/APQ-107  | 0.00       | May 89 |
| AN/APS-116 Radar                                      | 40,500.00  | Jul 88 |
| AN/APS-137 (V) Radar Set Derivative of P-3/P-7A       | 85,000.00  | Aug 89 |
| AN/APS-137 (V)2 ISAR Upgrade Kit                      | 14,618.00  | Nov 91 |
| AN/APS-138 OE-335A Trac A Antenna                     | 162,047.00 | Feb 87 |
| AN/ARC-187  | 0.00       | May 89 |
| AN/ARC-197  | 0.00       | May 89 |
| AN/ARC-207  | 0.00       | Oct 89 |
| AN/ARN-83   | 0.00       | May 89 |
| AN/ARN-140  | 0.00       | May 89 |
| AN-ARQ-50 HF SIMOPS High Frequency Simul              |            |        |
| Op Radio Sys  | 0.00       | Oct 89 |

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| AN/ARS-5 Sonobuoy Ref Sys                        | 7,029.00     | Mar 90    |
| AN/ASA-69  | 0.00         | May 89    |
| AN/ASH-33A                                       | 0.00         | May 89    |
| AN/ASM-614B Elec Systems Test Set                | 20,000.00    | Aug 90    |
| AN/AWG-19 (V) 1                                  | 16,900.00    | May 89    |
| AN/BQH-7A (MK 8 XBT/X50) Derivative              | 0.00         | Jun 90    |
| AN/DKT-58 Sidewinder Telemetry System            | 0.00         | May 90    |
| AN/FPS-118 OTH Radar                             |              |           |
| AN/GRC-193B (V)                                  | 1,643.00     | May 88    |
| AN/GRC-193B (V), SA-2111 (V)                     |              |           |
| 1-6 Red Audio Switch                             | 1,643.00     | May 88    |
| AN/GRC-213A (V), SA-2112A (V)                    |              |           |
| 1-6 Black Analog Switch                          | 918.00       | May 88    |
| AN/GYC-7 Tactical Data Switch                    | 7,500.00     | Jul 89    |
| AN/SPN-46 (V) Phase I Auto Carrier Landing Sys   | 497,530.00   | May 86    |
| AN/SQS-53B                                       | 16,192.00    | Oct 89    |
| AN/SQS-53C                                       | 5,838,000.00 | May 90    |
| AN/SQS-53C Array Subsystem                       | 686,000.00   | May 90    |
| AN/SQS-53C Rcvr Subsystem                        | 2,920,000.00 | May 90    |
| AN/SQS-53C Software                              | 634,000.00   | May 90    |
| AN/SQS-53C Undistributed                         | 568,000.00   | May 90    |
| AN/SQS-53C X-mitter Subsystem                    | 1,030,000.00 | May 90    |
| AN/SQS-56 ECP RAM/ROM Memory                     | 0.00         | Apr 90    |
| AN/SSR-1A Satellite Receiver (Motorola)          |              |           |
| AN/TSQ-142 EA-6B Strike Planning Center          | 0.00         | May 90    |
| AN/TSQ-142 Maritime Air Operations Center        | 0.00         | May 90    |
| AN/UPX-29 (V) Interrogator AEGIS Subsystem       | 100,000.00   | May 88    |
| AN/USM-470 (V) 1                                 | 178,750.00   | Aug 90    |
| AN/USM-484                                       | 34,750.00    | Aug 90    |
| AN/USQ-78 (V) 3 Display Control Set              | 24,633.00    | May 89    |
| AN/UYQ-21  |              |           |
| AN/UYS-1 (V) 8, Analyzer Detecting Set           | 36,450.00    | Dec 86    |
| BRU-12/A, 14A, 15A                               | 0.00         | May 89    |
| AN/ASN-123 Tactical Navigation Set               | 12,779.00    | Aug 90    |
| AN/ASN-150 Navigation Set                        | 21,980.00    | Aug 90    |
| Commandable Entry Panel (part of circuit board)  | 0.00         | Jun 90    |
| Computer Development Station (CDS-85)            | 0.00         | Jun 90    |
| Deep Water Trunk Cable (Per mile)                | 300.00       | 13 Apr 92 |
| Digital Voice Terminal Equip                     |              |           |
| Enhanced Main Display Unit (E-2T)                | 144,074.00   | Apr 90    |
| F-18 Fortran Simulation Data                     | 253.00       | Jun 90    |
| FCS MK-74 CWI Radar Transmitter and Power Supply | 42,100.00    | May 90    |
| GTCP-95-3  |              |           |
| ID-1540/A  | 0.00         | May 89    |
| Integrated Diagnostic Support System (IDSS)      | 0.00         | Apr 90    |
| IP-886A/ASA-66                                   | 1,795.00     | May 89    |
| KIT-1A   | 0.00         | May 89    |
| KY-28  | 0.00         | May 89    |
| KY-75  | 400.00       | May 89    |
| MK-19 Mod 0                                      | 0.00         | Jun 86    |
| ML-1   | 0.00         | May 89    |
| MLU-1, 2, 3                                      | 0.00         | May 89    |

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| OA-8962/ASH  | 0.00         | May 89 |
| Ocean Surveillance Information System (software)(Canada) | 1,850,000.00 | Nov 89 |
| OD-159/A   | 0.00         | May 89 |
| OT-17D Continuous Wave Illuminator                       | 0.00         | Aug 88 |
| OTCIKS AN/UGC-136BX Teletypewriter                       | 1,200.00     | Feb 89 |
| OV-78A   | 0.00         | May 89 |
| Tactical Environmental Support System (TESS)             | 55,167.00    | Jan 91 |
| T-1234/AN/ASA-76   | 7,500.00     | May 89 |
| U-1644 Processor Microcode (CP Sequencer Card)           | 51.00        | Mar 90 |
| U-1644 Processor Microcode (EC 1 Card)                   | 39.00        | Mar 90 |
| U-1644 Processor Microcode (Maint Processor Card)        | 45.00        | Mar 90 |

### CATEGORY XII - FIRE CONTROL, RANGE FINDER, OPTICAL AND GUIDANCE AND CONTROL EQUIPMENT

|   |            |           |
|---|------------|-----------|
| AN/APS-124  | 32,192.00  | Jan 84    |
| AN/SPS-55   | d          |           |
| AN/SPS-65   | 177,800.00 | May 85    |
| AN/SPS-67   | d          |           |
| AN/SYS-1 Integrated Automatic Detection & Tracking  | 934,231.00 | May 85    |
| System Gun Fire Control, MK 51-2                    | a          |           |
| System Gun Fire Control, MK 37                      | 24,800.00  | 6 Dec 84  |
| System Gun Fire Control, MK 56                      | 15,400.00  | 6 Dec 84  |
| System Gun Fire Control, MK 68                      | 60,000.00  | 6 Dec 84  |
| Project OUTBOARD                                    |            |           |
| AN/SLR-16 and AN/SDR-19                             | 550,000.00 | Dec 84    |
| System Supervision Station                          | 396,000.00 | Dec 84    |
| AN/SLR-23   | 265,000.00 | Dec 84    |
| AN/SYQ-8  | 248,000.00 | Dec 84    |
| AN/SPS-48C  | c          |           |
| AN/SPS-52C  | 813,334.00 | Feb 84    |
| AN/FSQ 123(V) Direction Finding System              | 92,592.00  | May 86    |
| WDS MK14 MOD 5 Weapon Detection System (TARTER)     | 254,400.00 | Jun 86    |
| CTS AN/SYR-1  | 154,450.00 | Jun 86    |
| Attack Consol MK 52 Mod 2 used w/UFCS MK 114        | 43,750.00  | Jul 86    |
| AN/SPS-48E Radar                                    | 650,000.00 | Aug 87    |
| AN/SPS-40B/C/D Field Change II Kit                  |            |           |
| (Kit changes 40B/C/D Radar to 40 E)                 | 76,870.00  |           |
| Close in Weapon System, PHALANX 20mm Bulk Loader    | 0.00       | May 90    |
| AIM/RIM-70 Guidance and Control System Retrofit Kit | 32,750.00  | 24 Apr 91 |
| Weapon Direction System, MK-13 MOD 4                | 147,826.00 | Jun 91    |
| Underwater Tracking System                          | 775,750.00 | Jun 91    |
| North Finding Module P/N 500195-01-01               | 866.00     | Oct 91    |

### CATEGORY XIII - AUXILIARY MILITARY EQUIPMENT

|                                  |           |        |
|----------------------------------|-----------|--------|
| Underway Replenishment Equipment |           |        |
| Astern Reel                      | 3,600.00  | Dec 84 |
| Cargo Drop Wheel                 | 400.00    | Dec 84 |
| Hauling Winch                    | 10,160.00 | Dec 84 |
| HL/SW Winch                      | 6,680.00  | Dec 84 |
| Probe Receiver                   | 120.00    | Dec 84 |
| Probe Sender                     | 200.00    | Dec 84 |
| Ram Tensioner                    | 4,000.00  | Dec 84 |

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| Saddle Winch  | 1,600.00   | Dec 84   |
| Sliding Block   | 4,000.00   | Dec 84   |
| Sliding Padeye  | 1,120.00   | Dec 84   |
| STAR  | 120.00     | Dec 84   |
| Tactical Aircraft Combat Training System/<br>Air Combat Maneuvering Instrumentation<br>(TACTS/ACMI) | 40,334.00  |          |
| Tactical Aircraft Combat Training System/<br>Air Combat Maneuvering Instrumentation<br>(TACTS/ACMI) |            |          |
| AID (Internal) (F-18)   | 2,327.00   |          |
| Airborne Instrumentation Subsystem (AIS)  | 9,000.00   | Mar 85   |
| Control and Computation Subsystem (CCS)   | 277,000.00 | Mar 85   |
| Display and Debriefing Subsystem (DDS)  | 61,000.00  | Mar 85   |
| Tracing Instrumentation Subsystem   | 92,000.00  |          |
| Helicopter Landing System (HLS) or RAST for SH-60 b   | 208,871.00 |          |
| Helicopter Rotorblade H-46  | 5,879.00   |          |
| Data Multiplex System AN/USQ-82(V) SDMS   | 0.00       |          |
| Controller, Traffic C-10810/USQ-82(V)(TC)   | 2,105.00   | Apr 85   |
| Multiplexer TD-1318/USQ-82(V)(RM)   | 5,915.00   | Apr 85   |
| Multiplexer TD-1319/USQ-82(V)(AM)   | 12,345.00  | Apr 85   |
| Control-interface unit J-3703/USQ-82(V)(ME)   | 6,500.00   | Apr 85   |
| Controller-converter input-output CV-3647(P)/<br>USQ-82(V) 16-slot IOU                              | 3,710.00   | Apr 85   |
| Controller-converter input-output CV-3648(P)/<br>USQ-82(V) 8-slot IOU                               | 3,290.00   | Apr 85   |
| Multiplexer TD-1320/USQ-82(V) ARM   | 7,740.00   | Apr 85   |
| Input/Output Module IOM (AVE)   | 290.00     | Apr 85   |
| KG-40 Crypto  |            |          |
| a. TSEC/KG-40 Serial Unit   | 716.45     | 1 Jul 86 |
| TSEC/KG-40 Serial Unit  | 870.00     | Dec 88   |
| b. MT4416/A Serial Mount  | 110.00     | 1 Jul 86 |
| MT4416/A Serial Mount   | 214.00     | Dec 88   |
| c. TSEC/KG-40 Parallel Unit   | 996.00     | 1 Jul 86 |
| TSEC/KG-40 Parallel Unit  | 1,058.00   | Dec 88   |
| d. MT-4417/S Parallel Mount   | 162.25     | 1 Jul 86 |
| MT-4417/S Parallel Mount  | 278.00     | Dec 88   |
| e. KGX-40/TSEC Remote Control Unit  | 127.45     | 1 Jul 86 |
| KGX-40/TSEC Remote Control Unit   | 175.00     | Dec 88   |
| f. ST-31 (ATU)  | 194.00     | Dec 88   |
| g. RGQ-40 A Serial Kit 29   | 716.00     | Dec 88   |
| h. RGQ-40 A Parallel Kit  | 644.00     | Dec 88   |
| i. E-DZZ PWA  | 25.00      | Dec 88   |
| j. RGQ-40 Retrofit Kit  | 37.00      | Dec 88   |
| k. ST-31 Retrofit Kit   | 1.00       | Dec 88   |
| l. Extender Board   | 139.00     | Dec 88   |
| m. Extender Cable   | 151.00     | Dec 88   |
| n. SM-SM/871/TDTS   | 1,301.00   | Dec 88   |
| o. KG-40 MOD Kit  | 186.00     | Dec 88   |
| AN/SSR-1A Satellite Signal Receiving System e   |            |          |
| AN/SSR-1A Satellite Signal Receiving System d   |            |          |
| HYX-58 Equipment (KY-58 Secure Voice)   |            | May 86   |

|  |           |        |
|--|-----------|--------|
| a. HYX-58 Mode 1A  | 255.61    | May 86 |
| b. RXQ Spares Kit  | 157.83    | May 86 |
| c. Test Mount Cable  | 31.20     | May 86 |
| Integration Housing Group for KW-46/KY58/KYX58<br>and other COMSEC Systems |           | May 86 |
| a. HNF-1 Backplane   | 147.61    | May 86 |
| b. HNF-2 Backplane   | 123.57    | May 86 |
| c. HNF-3 Backplane   | 74.99     | May 86 |
| d. MT4841/V Ship Mount   | 28.29     | May 86 |
| e. MT4841/V Ship Mount w/KG-8Y<br>Backplane for (2) KG-8Y/TSEC             | 51.71     | May 86 |
| f. MK 1955 Installation Kit I  | 34.51     | May 86 |
| g. MK 1956 Installation Kit II   | 46.08     | May 86 |
| CV-3591 Connector Modem Signal Data AN/USC-43-V                            | 1,107.00  | Nov 87 |
| CV-3591 Connector Modem Signal Data (ANDVT)(SVT)                           | 1,425.00  | Nov 87 |
| AN/TTC-42 (V) Unit Level Circuit Switch                                    | 57,500.00 | Apr 90 |
| AN/USC-43V   | 1,107.00  | Nov 87 |
| AN/USC-43 (V), CV-3591-Adv   |           |        |
| Narrow Dig Voice Term  | 375.00    | Dec 89 |
| Astern Reel  | 7,500.00  | Sep 89 |
| HNF-1 Ship Shelf Assembly  | 124.00    |        |
| HNF-2 Ship Shelf Assembly  | 116.00    |        |
| HNF-3-1 Ship Shelf Assembly  | 81.00     |        |
| KG-84 Ship Shelf Assembly  | 21.00     | Sep 89 |
| Cargo Drop Reel  | 1,150.00  | Sep 89 |
| Hauling Winch  | 15,200.00 | Sep 89 |
| Input/Output Module (AVE)  |           |        |
| RGQ-40 Retrofit Kit  | 38.00     | Sep 89 |
| ST-31 Retrofit Kit   | 2.00      | Sep 89 |
| Probe Receiver   | 350.00    | Sep 89 |
| Probe Sender   | 550.00    | Sep 89 |
| RAM Tensioner  | 6,250.00  | Sep 89 |
| Saddle Winch   | 1,550.00  | Sep 89 |
| Sliding Block  | 7,000.00  | Sep 89 |
| Sliding Padeye   | 3,650.00  | Sep 89 |
| STAR   | 450.00    | Sep 89 |
| HL/SW Winch  | 9,900.00  | Sep 89 |

**CATEGORY XIV**

No Navy Items Identified

**CATEGORY XV**

Not Applicable

**CATEGORY XVI**

IM-239/WLQ Radiometer Beta Monitoring System

1,083.75

May 86

**CATEGORY XVII**

No Navy Items Identified

**CATEGORY XVIII - TECHNICAL DATA**

AN/FYQ-113 (AN-1)(V)

## Volume 15, Appendix B

## DoD Financial Management Regulation

|  |              |        |
|--|--------------|--------|
| Used with AN/FSQ-133 Crypto) (XN-1)  | 65,000.00    | Jun 86 |
| AN/FYQ-108 (AN-1)(V) Used with AN/FSQ-133 (XN-1)                             | 43,500.00    | Jun 86 |
| AN/SYS-2(V) Integrated Auto Det & Tracking System                            | 105,200.00   | Nov 91 |
| Asset/MONOSC Version 2.4   | 318,571.00   | Oct 87 |
| Asset/Hydrofoil Version 2.2  | 131,250.00   | Oct 87 |
| Asset SWATH Version.4  | 46,154.00    | Oct 87 |
| Marine Air Traffic Control and Landing System (MATCACS)                      | 2,352,941.00 | Jul 88 |
| used with AN/TPN-22, TSQ-107-313, TPS-73, UYQ-34                             |              |        |
| MATCALs (Marine Air Traffic Control & Landing Sys)                           | 769,231.00   | Jul 88 |
| Operational Software is used with (AN/TPN-22,<br>TSQ-107/131/TPS-73, UYQ-34) |              |        |
| Classic Centerboard Outstation Software                                      | 556,000.00   | Nov 91 |
| Tactical Aircraft Mission Planning System                                    | 9,136.00     | Jun 91 |

CATEGORY XIX - DEFENSE SERVICES

No Navy Items Identified

CATEGORY XX - SUBMERSIBLE VESSELS, OCEANOGRAPHIC AND ASSOCIATED EQUIPMENT

No Navy Items Identified

CATEGORY XXI - MISCELLANEOUS ARTICLES

|                                     |           |        |
|-------------------------------------|-----------|--------|
| AN/TTC-42 Unit Level Circuit Switch | 57,500.00 | Aug 88 |
|-------------------------------------|-----------|--------|

Codes:

- a. Out of Production - no assets available.
- b. Part of NC recoupment charge payable to a foreign country.
- c. No predictable FMS, or commercial sale or coproduction. Advise when potential for sale or coproduction exists.
- d. Does not meet criteria for recoupment collection.
- e. In staffing.
- g. Interim: SYSCOM NC data sheet required not later than 6 months prior to production of first article.
- h. "Special" NC payable in total to foreign country.
- i. Commercial Derivative.

## AIR FORCE NONMAJOR DEFENSE EQUIPMENT

| ITEM | UNIT NC | Date NC<br>Charge<br>Approved |
|------|---------|-------------------------------|
|------|---------|-------------------------------|

CATEGORY I - FIREARMS

NONE

CATEGORY II - ARTILLERY AND PROJECTILES

NONE

CATEGORY III - AMMUNITION



NONE

**CATEGORY IV - LAUNCH VEHICLES, GUIDED MISSILES, BALLISTIC MISSILES, ROCKETS, TORPEDOES, BOMBS AND MINES**

|   |            |           |
|---|------------|-----------|
| AGM-65, IR GCS                              | 4,479.00   | 3 Nov 87  |
| AGM-65, Laser GCS                           | 16,783.00  | 3 Nov 87  |
| AGM-65, Shaped Charge                       | 86.00      | 3 Nov 87  |
| AGM-65, TV GCS                              | 2,725.00   | 3 Nov 87  |
| AGM-65, WDU-24B Warhead/FMU-135B Fuze       | 1,074.00   | 3 Nov 87  |
| AIM-9 Rocket Motor MK-17 OR SR 116          | 200.00 (a) | 12 Mar 82 |
| AIM-9P-4 Guidance and Control System ( GCS) | 14.00 (a)  | 10 Mar 86 |
| BSU-49 Air Inflatable Retarder (AIR)        | 12.00      | 17 Sep 81 |
| FMU-139B Fuse                               | 13.88      | 17 Jul 87 |
| FMU-143B Fuse System                        | 142.00     | 23 Oct 90 |
| FMU-143B/B Fuse System                      | 100.00     | 23 Oct 90 |

**CATEGORY V - PROPELLANTS, EXPLOSIVES AND INCENDIARY AGENTS**

NONE

**CATEGORY VI - VESSELS OF WAR AND SPECIAL NAVAL EQUIPMENT**

NONE

**CATEGORY VII - TANKS AND MILITARY VEHICLES**

NONE

**CATEGORY VIII - AIRCRAFT, SPACECRAFT AND ASSOCIATED EQUIPMENT**

|   |            |           |
|---|------------|-----------|
| C-130 Tanker Modification (MOD only)      | 331,250.00 | 16 Oct 90 |
| FCSP CP-1767 Flight Control Set Processor | 1,976.00   | 7 Dec 90  |

**CATEGORY IX - MILITARY TRAINING EQUIPMENT**

|   |              |           |
|---|--------------|-----------|
| A/F-37A-T48 F-111A Mission Simulator (6930-00-181-7118) | 302,335.00   | 12 Sep 91 |
| OFT F-16A/B (EPG, IS, EG)                               | 1,680,560.00 | 28 Sep 84 |
| OFT F-16A/B (EPG, IS, EG)                               | 415,020.00   | 24 May 82 |
| OFT F-16C/D (FMS)                                       | 2,202,654.00 | 28 Sep 84 |
| Operational Flt Trainer (OFT) F-16A/B (FMS)             | 657,574.00   | 24 May 82 |
| TGM-65D Tng Maverick Missile                            | 4,479.00     | 3 Nov 87  |
| TGM-65G Tng Maverick Missile                            | 4,479.00     | 22 Nov 89 |
| TGM-65G with VTRA Tng Maverick Missile                  | 4,479.00     | 22 Nov 89 |
| MMT-65 Missile Maintenance Trainer                      | 4,479.00     | 22 Nov 89 |

**CATEGORY X - PROTECTIVE PERSONNEL EQUIPMENT**

NONE

**CATEGORY XI - MILITARY AND SPACE ELECTRONICS**

|  |            |           |
|--|------------|-----------|
| AN/ALR-69, Radar Warning Receiver                      | 3,519.00   | 4 Jan 78  |
| AN/APM-410 w/o Bench                                   | 65,000.00  | 27 Mar 87 |
| AN/APM-410 w/o Bench                                   | 24,695.00  | 18 Apr 90 |
| AN/APM-467 Test Station, Radar, Aircraft (ARTS) (F-15) | 185,000.00 | 11 Apr 90 |
| AN/APX-76 IFF Interrogator                             | 1,173.40   | 17 Jan 86 |
| AN/ARN-101 Navigation System (NATO)                    | 7,200.00   | 23 Sep 77 |
| AN/ARN-101 Navigation System (Non-NATO)                | 37,000.00  | 23 Sep 77 |

|   |                            |           |
|---|----------------------------|-----------|
| AN/ARN-118 TACAN  | 593.25                     | 17 Jan 86 |
| AN/APM-395, Flight Line Kit                                   | 11,970.00                  | 27 Mar 87 |
| AN/APM-395, Flight Line Kit                                   | 2,010.00                   | 18 Apr 90 |
| AN/MSR-T4, Trains (NSN 5840-01-142-6672)                      | 296,256.00                 | 29 Jan 92 |
| AN/MST-T1A, Mutes (NSN 5840-01-105-4656)                      | 153,641.00                 | 29 Jan 92 |
| AN/USM-617 Mobile Electronic Test Set<br>(6625-01-286-8798DQ) | 45,604.00                  | 6 Sep 91  |
| Antenna Receiver  | 9,739.00                   | 27 Mar 87 |
| Antenna Receiver  | 2,442.00                   | 18 Apr 90 |
| APM-235   | 8,399.00                   | 27 Mar 87 |
| APM-235   | 694.00                     | 18 Apr 90 |
| APM-236   | 8,399.00                   | 27 Mar 87 |
| APM-236   | 694.00                     | 18 Apr 90 |
| APM-237   | 16,798.00                  | 27 Mar 87 |
| APM-237   | 1,357.00                   | 18 Apr 90 |
| APM-238   | 8,399.00                   | 27 Mar 87 |
| APM-238   | 688.00                     | 18 Apr 90 |
| ARC-164 UHF Radio   | 278.70                     | 17 Jan 86 |
| Branded Wiring Harness Radar Mount                            | 2,292.80                   | 27 Mar 87 |
| Branded Wiring Harness Radar Mount                            | 528.00                     | 18 Apr 90 |
| Command Computer  | 1,719.00                   | 27 Mar 87 |
| Command Computer  | 462.00                     | 18 Apr 90 |
| Depot Automated Test System for Avionics (DATSA)              |                            |           |
| Analog DATSA (4920-01-148-5597DQ)                             | 214,263.00                 | 12 Nov 91 |
| Digital DATSA (4920-01-124-0648DQ)                            | 242,407.00                 | 12 Nov 91 |
| Digital RF DATSA (4920-01-203-1835DQ)                         | 240,000.00                 | 12 Nov 91 |
| Depot Support Equipment F-16                                  | 7.5%                       | 2 Jul 80  |
|   | (of equipment sales price) |           |
| Digital Scan Converter Group                                  | 33,228.00                  | 27 Mar 87 |
| Digital Scan Converter Group                                  | 6,062.00                   | 18 Apr 90 |
| ECM, AN/ALQ-94 (F-111)  | 43,584.00                  | 4 Nov 83  |
| Power Supply  | 5,156.00                   | 27 Mar 87 |
| Power Supply  | 1,292.00                   | 18 Apr 90 |
| Radar Set Control   | 573.00                     | 27 Mar 87 |
| Radar Set Control   | 2.00                       | 18 Apr 90 |
| Transmitter   | 4,583.00                   | 27 Mar 87 |
| Transmitter   | 1,295.00                   | 18 Apr 90 |
| TRC-187 Have Quick II Timing System                           | 4,413.00                   | 23 Jul 90 |

**CATEGORY XII - FIRE CONTROL, RANGE FINDER, OPTICAL AND GUIDANCE AND CONTROL EQUIPMENT**

|   |                |           |
|---|----------------|-----------|
| AN/APQ-171 Terrain Following Radar (TFR) System Kit     | 27,221.00      | 3 Apr 90  |
| AN/TPN-19 Model Series                                  | 168,178.00 (b) | 9 Oct 80  |
| AN/TSP-43 Antenna (Basic)                               | 8,513.00       | 29 Jan 86 |
| AN/TSP-43/70 Optional Antenna (LSA)                     | 22,749.00      | 29 Jan 86 |
| AN/TSP-43/70 Optional Antenna (ULSA)                    | 107,834.00     | 29 Jan 86 |
| AN/TSP-43A/B/C/D/E/F/H Antenna                          | 1,864.00       | 29 Jan 86 |
| AN/TSP-43A/B/C/D/E/F/H Radar (inc ant)                  | 6,014.00       | 29 Jan 86 |
| AN/TSP-70 Antenna (V1/V2)                               | 131.00         | 29 Jan 86 |
| AN/TSP-70 Radar (V1/V2 inc antenna)                     | 421.00         | 29 Jan 86 |
| CP-1767 Flight Control Set Processor (6615-01-225-8139) | 1,976.00       | 7 Dec 90  |
| GBU-15 Data Link Pod                                    | 73,643.00      | 11 May 81 |

|   |           |           |
|---|-----------|-----------|
| GBU-15 FMU-123A Fuze                              | 145.00    | 11 May 81 |
| GBU-15 Weapon Data Link                           | 776.00    | 11 May 81 |
| Multifunction Display System (MFDS) Shipset       | 6,593.00  | 14 Jan 92 |
| Multifunction Display (MFD)                       | 1,328.00  | 14 Jan 92 |
| MFD Programmable Display Generator (MFD PDG)      | 5,226.00  | 14 Jan 92 |
| Programmable Display Generator Rack (PDG Rack)    | 39.00     | 14 Jan 92 |
| PAVE PENNY Adapter Control Detector (ACD) F-16    | 8,740.00  | 29 Sep 83 |
| PAVE PENNY Detectors (non-F-16)                   | 10,143.00 | 21 Mar 80 |
| PAVE SPIKE AN/ASQ-153 Grp A (inc Cockpit Group B) | 4,173.00  | 30 Mar 79 |
| PAVE SPIKE AN/ASQ-153 Support Equipment           | 89,451.00 | 30 Mar 79 |
| PAVE SPIKE AN/ASQ-153 Target Designator Pod only  | 26,329.00 | 30 Mar 79 |
| PLZT/TFPD (EEU-2P) Goggles                        | 552.00    | 1 Jun 79  |

**Notes:** a. A special recoupment to SDAF of \$5,622.00 must be added to each AIM-9P-4 sale. This portion, once charged to the FMS customer, is sent to SAAC for deposit back to the SDAF. The remaining \$214.00 is deposited to Miscellaneous Receipts for USG investment in the GCS and rocket motor.

b. Includes the PAR (AN/TPN-25, AN/GPN-22, and AN/FPN-62), the ASR (AN/TPN-24 and ASR-910), and the Operation Centers (AN/TPN-23). The recoupment applies for each model series.

APPENDIX C - PAY TABLES

|              |                         | HISTORY TABLE OF ACCELERATION RATES |      |      |      |      |      |      |      |      |        |      |      | January 1, 1986 |      |      |
|--------------|-------------------------|-------------------------------------|------|------|------|------|------|------|------|------|--------|------|------|-----------------|------|------|
|              |                         | Effective Date                      | 78   | 79   | 80   | 81   | 82   | 83   | 84   | 85   | 86     | 87   | 88   | 86              | 87   | 88   |
| CIVILIAN (3) |                         |                                     |      |      |      |      |      |      |      |      |        |      |      |                 |      |      |
|              | Retirement-funded       | 9-Oct-77                            | 7.0  | 7.0  | 7.0  | 7.0  | 7.0  | 7.0  | 7.0  | 7.0  | 7.0    | 7.0  | 7.0  | 7.0             | 7.0  | 7.0  |
|              | Retirement-Unfunded     |                                     |      |      |      |      |      |      |      |      |        |      |      |                 |      |      |
|              | Health Benefits         |                                     |      | 13.4 | 13.4 | 13.4 | 13.4 | 13.4 | 22.5 | 22.5 | 20.9   | 20.9 | 20.9 | 20.9            | 20.9 | 20.9 |
|              | Life Insurance          |                                     |      |      |      | 3.4  | 3.4  | 3.4  | 3.4  | 3.4  | 4.7(1) | 4.7  | 4.7  | 4.7             | 4.7  | 4.7  |
|              | Medicare                |                                     |      |      |      | 0.3  | 0.3  | 0.3  | 0.3  | 0.3  | 0.3    | 0.3  | 0.3  | 0.3             | 0.3  | 0.3  |
|              | Other Benefits          |                                     |      | 4.0  | 4.0  | 1.9  | 1.9  | 1.9  | 1.9  | 1.9  | 1.4    | 1.5  | 1.5  | 1.5             | 1.5  | 1.5  |
|              | Leave & Holidays        |                                     | 20.0 | 20.0 | 20.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0   | 1.8  | 1.8  | 1.8             | 1.8  | 1.8  |
| MILITARY     |                         |                                     |      |      |      |      |      |      |      |      |        |      |      |                 |      |      |
|              | Retirement              |                                     | 17.0 | 26.5 | 26.5 | 26.5 | 26.5 | 26.5 | 33.0 | (2)  |        |      |      |                 |      |      |
|              | Other Benefits-Officers |                                     | 8.0  | 8.0  | 8.0  | 8.0  | 8.0  | 8.0  | 8.0  |      | 6.0    | 6.0  | 6.0  | 6.0             | 6.0  | 6.0  |
|              | Other Benefits-Enlisted |                                     | 23.0 | 23.0 | 23.0 | 23.0 | 23.0 | 23.0 | 23.0 | 18.0 | 18.0   | 18.0 | 18.0 | 18.0            | 18.0 | 18.0 |
|              | Leave & Holidays        |                                     | 20.0 | 20.0 | 20.0 | 18.0 | 18.0 | 18.0 | 18.0 | 14.0 | 14.0   | 14.0 | 14.0 | 14.0            | 14.0 | 14.0 |

(1) Health benefits combined with life insurance in FY 85.

(2) Effective October 1, 1984, payments for retired pay were from the new DoD Military Retirement Fund. With the result that retirement is included in the annual composite standard rate.

(3) Effective October 1, 1988 (see the next page of this appendix).

## CIVILIAN FRINGE BENEFIT RATE

|           | FY 1989 |      |      | FY 1990 |      |      | FY 1991 |      |      |
|-----------|---------|------|------|---------|------|------|---------|------|------|
|           | a       | b    | c    | a       | b    | c    | a       | b    | c    |
| Army      | 18.3    | 14.7 | 33.0 | 17.5    | 14.7 | 32.2 | 20.8    | 14.7 | 35.5 |
| Navy      | 15.8    | 14.7 | 30.5 | 16.1    | 14.7 | 30.8 | 21.1    | 14.7 | 35.8 |
| Air Force | 17.1    | 14.7 | 31.8 | 18.5    | 14.7 | 33.2 | 21.1    | 14.7 | 35.8 |
| DCAA      | 22.0    | 14.7 | 36.7 | 20.4    | 14.7 | 35.1 | 22.4    | 14.7 | 37.1 |
| DLA       | 20.7    | 14.7 | 35.4 | 17.0    | 14.7 | 31.7 | 18.7    | 14.7 | 33.4 |
| Other     | 20.3    | 14.7 | 35.0 | 21.1    | 14.7 | 35.8 | 22.4    | 14.7 | 37.1 |

|           | FY 1992 |      |      | FY 1993 |   |   | FY 1994 |   |   |
|-----------|---------|------|------|---------|---|---|---------|---|---|
|           | a       | b    | c    | a       | b | c | a       | b | c |
| Army      | 22.7    | 14.7 | 37.4 |         |   |   |         |   |   |
| Navy      | 19.8    | 14.7 | 34.5 |         |   |   |         |   |   |
| Air Force | 20.2    | 14.7 | 34.9 |         |   |   |         |   |   |
| DCAA      | 22.9    | 14.7 | 37.6 |         |   |   |         |   |   |
| DLA       | 19.1    | 14.7 | 33.8 |         |   |   |         |   |   |
| Other     | 20.6    | 14.7 | 35.3 |         |   |   |         |   |   |

Column

- a Amount to be billed other DoD Components & Federal Agencies
- b Unfunded Retirement Factor
- c Total to be billed FMS/Public. Does not include leave and holidays (18%)

CIVILIAN PAY - FY 81  
GENERAL SCHEDULE<sup>1</sup> 5 U.S.C. 5332(a)

|     |                 | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     |
|-----|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GS- | 1               | 7,960  | 8,490  | 8,755  | 9,020  | 9,020  | 9,175  | 9,437  | 9,699  | 9,712  | 9,954  |
|     | 2               | 8,951  | 9,163  | 9,459  | 9,712  | 9,820  | 10,109 | 10,398 | 10,687 | 10,976 | 11,265 |
|     | 3               | 9,766  | 10,092 | 10,418 | 10,744 | 11,070 | 11,396 | 11,722 | 12,048 | 12,374 | 12,700 |
|     | 4               | 10,963 | 11,328 | 11,693 | 12,058 | 12,423 | 12,788 | 13,153 | 13,518 | 13,883 | 14,248 |
|     | 5               | 12,266 | 12,675 | 13,054 | 13,493 | 13,902 | 14,311 | 14,720 | 15,129 | 15,538 | 15,947 |
|     | 6               | 13,672 | 14,128 | 14,584 | 15,040 | 15,496 | 15,952 | 16,408 | 16,864 | 17,320 | 17,776 |
|     | 7               | 15,193 | 15,699 | 16,205 | 16,711 | 17,217 | 17,723 | 18,229 | 18,735 | 19,214 | 19,747 |
|     | 8               | 16,826 | 17,387 | 17,948 | 18,509 | 19,070 | 19,631 | 20,192 | 20,753 | 21,314 | 21,875 |
|     | 9               | 18,585 | 19,205 | 19,825 | 20,445 | 21,076 | 21,685 | 22,305 | 22,925 | 23,545 | 24,165 |
|     | 10              | 20,467 | 21,149 | 21,831 | 22,513 | 23,195 | 23,877 | 24,559 | 25,241 | 25,943 | 26,605 |
|     | 11              | 22,486 | 23,236 | 23,986 | 24,736 | 25,486 | 26,236 | 26,986 | 27,736 | 28,486 | 29,236 |
|     | 12              | 26,951 | 27,849 | 28,747 | 29,645 | 30,543 | 31,441 | 33,339 | 33,237 | 34,135 | 35,033 |
|     | 13              | 32,048 | 33,116 | 34,184 | 35,252 | 36,320 | 37,388 | 38,456 | 39,524 | 40,592 | 41,660 |
|     | 14              | 37,871 | 39,133 | 40,395 | 41,657 | 42,919 | 44,181 | 45,443 | 46,705 | 47,967 | 49,229 |
|     | 15 <sup>2</sup> | 44,547 | 46,032 | 47,517 | 49,002 | 50,487 | 51,972 | 53,457 | 54,942 | 56,427 | 57,912 |
|     | 16 <sup>2</sup> | 52,247 | 53,989 | 55,731 | 57,473 | 59,215 | 60,957 | 62,699 | 64,441 | 66,183 |        |
|     | 17 <sup>2</sup> | 61,204 | 63,244 | 65,284 | 67,324 | 69,384 |        |        |        |        |        |
|     | 18 <sup>2</sup> | 71,734 |        |        |        |        |        |        |        |        |        |

<sup>1</sup> Effective October 5, 1980.

<sup>2</sup> Notwithstanding the salary rates shown, the rate of basic pay legally payable (such as employees in grades GS-15 through GS-18) may not exceed the rate payable to level V of the Executive Schedule, as of the effective date of this schedule \$50,112.50 per annum.

ACCELERATION FACTORS (Effective October 1, 1980)

|                    |   |
|--------------------|---|
| Retirement:        | 20.4% (13.4% unfunded; 7.0% DoD contribution) |
| Leave and Holiday: | 18.0%   |
| Benefits:          | 5.6%  |

CIVILIAN PAY - FY 82  
GENERAL SCHEDULE<sup>1</sup> 5 U.S.C. 5332(a)

|                 | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     |
|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GS- 1           | 8,342  | 8,620  | 8,898  | 9,175  | 9,453  | 9,615  | 9,890  | 10,165 | 10,178 | 10,438 |
| 2               | 9,381  | 9,603  | 9,913  | 10,178 | 10,292 | 10,595 | 10,898 | 11,210 | 11,504 | 11,804 |
| 3               | 10,235 | 10,576 | 10,917 | 11,258 | 11,599 | 11,940 | 12,281 | 12,622 | 12,963 | 13,304 |
| 4               | 11,490 | 11,873 | 12,256 | 12,639 | 13,022 | 13,405 | 13,788 | 14,171 | 14,554 | 14,973 |
| 5               | 12,854 | 13,282 | 13,710 | 14,138 | 14,566 | 14,994 | 15,422 | 15,850 | 16,278 | 16,706 |
| 6               | 14,328 | 14,806 | 15,284 | 15,762 | 16,240 | 16,718 | 17,196 | 17,674 | 18,152 | 18,630 |
| 7               | 15,922 | 16,453 | 16,934 | 17,515 | 18,046 | 18,577 | 19,108 | 19,639 | 20,170 | 20,701 |
| 8               | 17,634 | 18,222 | 18,810 | 19,398 | 19,986 | 20,574 | 21,162 | 21,750 | 22,338 | 22,926 |
| 9               | 19,477 | 20,126 | 20,775 | 21,424 | 22,073 | 22,722 | 23,371 | 24,020 | 24,669 | 25,318 |
| 10              | 21,449 | 22,164 | 22,879 | 23,594 | 24,309 | 25,024 | 25,739 | 26,454 | 27,169 | 27,884 |
| 11              | 23,566 | 24,352 | 25,138 | 25,924 | 26,710 | 27,496 | 28,282 | 29,068 | 29,854 | 30,640 |
| 12              | 28,245 | 29,187 | 30,129 | 31,071 | 32,013 | 32,955 | 33,897 | 34,839 | 35,781 | 36,723 |
| 13              | 33,586 | 34,706 | 35,826 | 36,946 | 38,066 | 39,186 | 40,306 | 41,426 | 42,546 | 43,666 |
| 14 <sup>2</sup> | 39,689 | 41,012 | 42,335 | 43,658 | 44,981 | 46,304 | 47,627 | 48,950 | 50,273 | 51,596 |
| 15 <sup>2</sup> | 46,685 | 48,241 | 49,797 | 51,353 | 52,909 | 54,465 | 56,021 | 57,577 | 59,133 | 60,689 |
| 16 <sup>2</sup> | 54,755 | 56,580 | 58,405 | 60,230 | 62,055 | 63,880 | 65,705 | 67,530 | 69,355 |        |
| 17 <sup>2</sup> | 64,142 | 66,280 | 68,418 | 70,556 | 72,694 |        |        |        |        |        |
| 18 <sup>2</sup> | 75,177 |        |        |        |        |        |        |        |        |        |

<sup>1</sup> Effective October 4, 1981

<sup>2</sup> The rate of basic pay payable to employees at these rates is limited to \$50,112.50 for the period October 4-December 31, 1981, and to \$57,500 after December 31, 1981, the rates payable to level V of the Executive Schedule during those periods.

ACCELERATION FACTORS (Effective October 1, 1980)

Retirement: 20.4% (13.4% unfunded; 7.0% DoD contribution)

Leave and Holiday: 18.0%

Benefits: 5.6%

**CIVILIAN PAY - October 3, 1982 Through January 7, 1984**  
**GENERAL SCHEDULE 5 U.S.C. 5332(a)**

|     |                 | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     |
|-----|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GS- | 1               | 8,676  | 8,965  | 9,254  | 9,542  | 9,831  | 10,000 | 10,286 | 10,572 | 10,585 | 10,857 |
|     | 2               | 9,756  | 9,987  | 10,310 | 10,585 | 10,703 | 11,018 | 11,333 | 11,648 | 11,983 | 12,278 |
|     | 3               | 10,645 | 11,000 | 11,355 | 11,710 | 12,065 | 12,420 | 12,775 | 13,130 | 13,485 | 13,840 |
|     | 4               | 11,949 | 12,347 | 12,745 | 13,143 | 13,541 | 13,939 | 14,337 | 14,735 | 15,133 | 15,531 |
|     | 5               | 13,369 | 13,815 | 14,261 | 14,707 | 15,153 | 15,599 | 16,045 | 16,491 | 16,937 | 17,383 |
|     | 6               | 14,901 | 15,398 | 15,895 | 16,392 | 16,889 | 17,386 | 17,883 | 18,380 | 18,877 | 19,374 |
|     | 7               | 16,559 | 17,111 | 17,663 | 18,215 | 18,767 | 19,319 | 19,871 | 20,423 | 20,975 | 21,527 |
|     | 8               | 18,339 | 18,950 | 19,561 | 20,172 | 20,783 | 21,394 | 22,005 | 22,616 | 23,227 | 23,838 |
|     | 9               | 20,256 | 20,931 | 21,606 | 22,281 | 22,956 | 23,631 | 24,306 | 24,981 | 25,656 | 26,331 |
|     | 10              | 22,307 | 23,051 | 23,795 | 24,539 | 25,283 | 26,027 | 26,771 | 27,515 | 28,259 | 29,003 |
|     | 11              | 24,508 | 25,325 | 26,142 | 26,959 | 27,776 | 28,593 | 29,410 | 30,227 | 31,044 | 31,861 |
|     | 12              | 29,374 | 30,353 | 31,332 | 32,311 | 33,290 | 34,269 | 35,248 | 36,227 | 37,206 | 38,185 |
|     | 13              | 34,930 | 36,094 | 37,258 | 38,422 | 39,586 | 40,750 | 41,914 | 43,078 | 44,242 | 45,406 |
|     | 14              | 41,277 | 42,653 | 44,029 | 45,405 | 46,781 | 48,157 | 49,533 | 50,909 | 52,285 | 53,661 |
|     | 15 <sup>1</sup> | 48,533 | 50,171 | 51,789 | 53,407 | 55,025 | 56,643 | 58,261 | 59,879 | 61,497 | 63,115 |
|     | 16 <sup>1</sup> | 56,945 | 58,843 | 60,741 | 62,639 | 64,537 | 66,435 | 68,333 | 70,231 | 72,129 |        |
|     | 17 <sup>1</sup> | 66,708 | 68,932 | 71,156 | 73,380 | 75,604 |        |        |        |        |        |
|     | 18 <sup>1</sup> | 78,184 |        |        |        |        |        |        |        |        |        |

<sup>1</sup> The rate of basic pay payable to employees at these rates is limited to \$57,500 for the period October 3 - December 17, 1982, and to \$63,800 effective December 18, 1982.

**ACCELERATION FACTORS October 3, 1982 - September 30, 1983**

**FY 83**

Retirement: 20.4% (13.4% unfunded; 7.0% DoD contribution)  
 Leave and Holiday: 18.0%  
 Benefits: 5.6%

**ACCELERATION FACTORS October 1, 1983 - January 7, 1984**

Retirement: 29.5% (22.5% unfunded; 7.0% DoD contribution)  
 Leave and Holiday: 18.0%  
 Benefits: 6.9%



CIVILIAN PAY - Effective January 8, 1984  
GENERAL SCHEDULE 5 U.S.C. 5332(a)

|                 | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     |
|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GS- 1           | 9,023  | 9,324  | 9,624  | 9,924  | 10,224 | 10,400 | 10,697 | 10,995 | 11,008 | 11,283 |
| 2               | 10,146 | 10,386 | 10,722 | 11,008 | 11,129 | 11,456 | 11,783 | 12,110 | 12,437 | 12,764 |
| 3               | 11,070 | 11,439 | 11,808 | 12,177 | 12,546 | 12,915 | 13,284 | 13,653 | 14,022 | 14,391 |
| 4               | 12,427 | 12,841 | 13,255 | 13,669 | 14,083 | 14,497 | 14,911 | 15,325 | 15,739 | 16,153 |
| 5               | 13,903 | 14,366 | 14,829 | 15,292 | 15,755 | 16,218 | 16,681 | 17,144 | 17,607 | 18,070 |
| 6               | 15,497 | 16,014 | 16,531 | 17,048 | 17,565 | 18,082 | 18,599 | 19,116 | 19,633 | 20,150 |
| 7               | 17,221 | 17,795 | 18,369 | 18,943 | 19,517 | 20,091 | 20,665 | 21,239 | 21,813 | 22,387 |
| 8               | 19,073 | 19,709 | 20,345 | 20,981 | 21,617 | 22,253 | 22,889 | 23,525 | 24,161 | 24,797 |
| 9               | 21,066 | 21,768 | 22,470 | 23,172 | 23,874 | 24,576 | 25,278 | 25,980 | 26,682 | 27,384 |
| 10              | 23,199 | 23,972 | 24,745 | 25,518 | 26,291 | 27,064 | 27,837 | 28,610 | 29,383 | 30,156 |
| 11              | 25,489 | 26,339 | 27,189 | 28,039 | 28,889 | 29,739 | 30,589 | 31,439 | 32,289 | 33,139 |
| 12              | 30,549 | 31,567 | 32,585 | 33,603 | 34,621 | 35,639 | 36,657 | 37,675 | 38,693 | 39,711 |
| 13              | 36,327 | 37,538 | 38,749 | 39,960 | 41,171 | 42,382 | 43,593 | 44,804 | 46,015 | 47,226 |
| 14              | 42,928 | 44,359 | 45,790 | 47,221 | 48,652 | 50,083 | 51,514 | 52,945 | 54,376 | 55,807 |
| 15              | 50,495 | 52,178 | 53,861 | 55,544 | 57,227 | 58,910 | 60,593 | 62,276 | 63,959 | 65,642 |
| 16 <sup>1</sup> | 59,223 | 61,197 | 63,171 | 65,145 | 67,119 | 69,093 | 71,067 | 73,041 | 75,015 |        |
| 17 <sup>1</sup> | 69,376 | 71,689 | 74,002 | 76,315 | 78,628 |        |        |        |        |        |
| 18 <sup>1</sup> | 81,311 |        |        |        |        |        |        |        |        |        |

<sup>1</sup> The rate of basic pay payable to employees at these rates is limited to \$66,400.

#### ACCELERATION FACTORS

|                    |   |
|--------------------|---|
| Retirement:        | 29.5% (22.5% unfunded; 7.0% DoD contribution) |
| Leave and Holiday: | 18.0%   |
| Benefits:          | 6.9%  |

CIVILIAN PAY - FY 1985  
GENERAL SCHEDULE<sup>1</sup> 5 U.S.C. 5332(a)

|     |                 | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     |
|-----|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GS- | 1               | 9,339  | 9,650  | 9,961  | 10,271 | 10,582 | 10,794 | 11,071 | 11,380 | 11,393 | 11,686 |
|     | 2               | 10,501 | 10,750 | 11,097 | 11,393 | 11,521 | 11,860 | 12,199 | 12,538 | 12,877 | 13,216 |
|     | 3               | 11,458 | 11,840 | 12,222 | 12,604 | 12,986 | 13,368 | 13,750 | 14,132 | 14,514 | 14,896 |
|     | 4               | 12,862 | 13,291 | 13,720 | 14,149 | 14,578 | 15,007 | 15,436 | 15,865 | 16,294 | 16,723 |
|     | 5               | 14,390 | 14,870 | 15,350 | 15,830 | 16,310 | 16,790 | 17,270 | 17,750 | 18,230 | 18,710 |
|     | 6               | 16,040 | 16,575 | 17,110 | 17,645 | 18,180 | 18,715 | 19,250 | 19,785 | 20,576 | 23,160 |
|     | 7               | 17,824 | 18,418 | 19,012 | 19,606 | 20,200 | 20,794 | 21,388 | 21,982 | 22,576 | 23,170 |
|     | 8               | 19,740 | 20,398 | 21,056 | 21,714 | 22,372 | 23,030 | 23,688 | 24,346 | 25,004 | 25,662 |
|     | 9               | 21,804 | 22,531 | 23,258 | 23,895 | 24,712 | 25,439 | 26,166 | 26,893 | 27,620 | 28,347 |
|     | 10              | 24,011 | 24,811 | 25,611 | 26,411 | 27,211 | 28,011 | 28,811 | 29,611 | 30,411 | 31,211 |
|     | 11              | 26,381 | 27,620 | 28,139 | 29,018 | 29,897 | 30,776 | 31,655 | 32,534 | 33,413 | 34,292 |
|     | 12              | 31,619 | 32,673 | 33,727 | 34,781 | 35,835 | 36,889 | 37,943 | 38,997 | 40,051 | 41,105 |
|     | 13              | 37,599 | 38,852 | 40,105 | 41,358 | 42,611 | 43,864 | 45,117 | 46,370 | 47,623 | 48,876 |
|     | 14              | 44,430 | 45,911 | 47,392 | 48,873 | 50,354 | 51,835 | 53,316 | 54,797 | 56,278 | 57,759 |
|     | 15 <sup>2</sup> | 52,262 | 54,004 | 55,746 | 57,488 | 59,230 | 60,972 | 62,714 | 64,456 | 66,198 | 67,940 |
|     | 16 <sup>2</sup> | 61,296 | 63,339 | 65,382 | 67,425 | 69,468 | 71,511 | 73,554 | 75,597 | 77,640 |        |
|     | 17 <sup>2</sup> | 71,840 | 74,197 | 76,590 | 78,983 | 81,376 |        |        |        |        |        |
|     | 18 <sup>2</sup> | 84,157 |        |        |        |        |        |        |        |        |        |

<sup>1</sup> Effective January 1, 1985

<sup>2</sup> Pay limited to level V of the Executive Schedule, \$66,700

ACCELERATION FACTORS

|                    |   |
|--------------------|---|
| Retirement:        | 29.5% (22.5% unfunded; 7.0% DoD contribution) |
| Leave and Holiday: | 18.0%   |
| Benefits:          | 6.9%  |

CIVILIAN PAY - FY 1986  
GENERAL SCHEDULE<sup>1</sup> 5 U.S.C. 5332(a)

|     |                 | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     |
|-----|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GS- | 1               | 9,339  | 9,650  | 9,961  | 10,271 | 10,582 | 10,794 | 11,071 | 11,380 | 11,393 | 11,686 |
|     | 2               | 10,501 | 10,750 | 11,097 | 11,393 | 11,521 | 11,860 | 12,199 | 12,538 | 12,877 | 13,216 |
|     | 3               | 11,458 | 11,840 | 12,222 | 12,604 | 12,986 | 13,368 | 13,750 | 14,132 | 14,514 | 14,896 |
|     | 4               | 12,862 | 13,291 | 13,720 | 14,149 | 14,578 | 15,007 | 15,436 | 15,865 | 16,294 | 16,723 |
|     | 5               | 14,390 | 14,870 | 15,350 | 15,830 | 16,310 | 16,790 | 17,270 | 17,750 | 18,230 | 18,710 |
|     | 6               | 16,040 | 16,575 | 17,110 | 17,645 | 18,180 | 18,715 | 19,250 | 19,785 | 20,576 | 23,160 |
|     | 7               | 17,824 | 18,418 | 19,012 | 19,606 | 20,200 | 20,794 | 21,388 | 21,982 | 22,576 | 23,170 |
|     | 8               | 19,740 | 20,398 | 21,056 | 21,714 | 22,372 | 23,030 | 23,688 | 24,346 | 25,004 | 25,662 |
|     | 9               | 21,804 | 22,531 | 23,258 | 23,895 | 24,712 | 25,439 | 26,166 | 26,893 | 27,620 | 28,347 |
|     | 10              | 24,011 | 24,811 | 25,611 | 26,411 | 27,211 | 28,011 | 28,811 | 29,611 | 30,411 | 31,211 |
|     | 11              | 26,381 | 27,620 | 28,139 | 29,018 | 29,897 | 30,776 | 31,655 | 32,534 | 33,413 | 34,292 |
|     | 12              | 31,619 | 32,673 | 33,727 | 34,781 | 35,835 | 36,889 | 37,943 | 38,997 | 40,051 | 41,105 |
|     | 13              | 37,599 | 38,852 | 40,105 | 41,358 | 42,611 | 43,864 | 45,117 | 46,370 | 47,623 | 48,876 |
|     | 14              | 44,430 | 45,911 | 47,392 | 48,873 | 50,354 | 51,835 | 53,316 | 54,797 | 56,278 | 57,759 |
|     | 15 <sup>2</sup> | 52,262 | 54,004 | 55,746 | 57,488 | 59,230 | 60,972 | 62,714 | 64,456 | 66,198 | 67,940 |
|     | 16 <sup>2</sup> | 61,296 | 63,339 | 65,382 | 67,425 | 69,468 | 71,511 | 73,554 | 75,597 | 77,640 |        |
|     | 17 <sup>2</sup> | 71,840 | 74,197 | 76,590 | 78,983 | 81,376 |        |        |        |        |        |
|     | 18 <sup>2</sup> | 84,157 |        |        |        |        |        |        |        |        |        |

<sup>1</sup> Effective January 1, 1985

<sup>2</sup> Pay limited to level V of the Executive Schedule, \$66,700

ACCELERATION FACTORS

|                    |   |
|--------------------|---|
| Retirement:        | 27.9% (20.9% unfunded; 7.0% DoD contribution) |
| Leave and Holiday: | 18.0%   |
| Benefits:          | 7.85%   |

CIVILIAN PAY - FY 1987  
GENERAL SCHEDULE<sup>1</sup> 5 U.S.C. 5332(a)

|     |                 | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     |
|-----|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GS- | 1               | 9,619  | 9,940  | 10,260 | 10,579 | 10,899 | 11,087 | 11,403 | 11,721 | 11,735 | 12,036 |
|     | 2               | 10,816 | 11,073 | 11,430 | 11,735 | 11,866 | 12,215 | 12,564 | 12,913 | 13,262 | 13,611 |
|     | 3               | 11,802 | 12,195 | 12,588 | 12,981 | 13,374 | 13,767 | 14,160 | 14,553 | 14,946 | 15,339 |
|     | 4               | 13,248 | 13,690 | 14,132 | 14,574 | 15,016 | 15,458 | 15,900 | 16,342 | 16,784 | 17,226 |
|     | 5               | 14,822 | 15,316 | 15,810 | 16,304 | 16,798 | 17,292 | 17,786 | 18,280 | 18,744 | 19,268 |
|     | 6               | 16,521 | 17,072 | 17,623 | 18,174 | 18,725 | 19,276 | 19,827 | 20,378 | 20,929 | 21,480 |
|     | 7               | 18,358 | 18,970 | 19,582 | 20,194 | 20,806 | 21,418 | 22,030 | 22,642 | 23,254 | 23,866 |
|     | 8               | 20,333 | 21,011 | 21,689 | 22,367 | 23,045 | 23,723 | 24,401 | 25,079 | 25,757 | 26,435 |
|     | 9               | 22,458 | 23,207 | 23,956 | 24,705 | 25,454 | 26,203 | 26,952 | 27,701 | 28,450 | 29,199 |
|     | 10              | 24,732 | 25,556 | 26,238 | 27,204 | 28,028 | 28,852 | 29,676 | 30,500 | 31,324 | 32,148 |
|     | 11              | 27,172 | 28,078 | 28,984 | 29,890 | 30,796 | 31,702 | 32,608 | 33,514 | 34,420 | 35,326 |
|     | 12              | 32,567 | 33,653 | 34,739 | 35,825 | 36,911 | 37,997 | 39,083 | 40,169 | 41,255 | 42,231 |
|     | 13              | 38,727 | 40,018 | 41,309 | 42,600 | 43,891 | 45,182 | 46,473 | 47,764 | 49,055 | 50,346 |
|     | 14              | 45,763 | 47,288 | 48,813 | 50,338 | 51,863 | 53,388 | 54,913 | 56,438 | 57,963 | 59,488 |
|     | 15              | 53,830 | 55,624 | 57,418 | 59,212 | 61,006 | 62,800 | 64,594 | 66,388 | 68,182 | 69,976 |
|     | 16 <sup>2</sup> | 63,135 | 65,240 | 67,345 | 69,450 | 71,555 | 73,660 | 75,765 | 77,870 | 79,975 |        |
|     | 17 <sup>2</sup> | 73,958 | 76,423 | 78,888 | 81,353 | 83,818 |        |        |        |        |        |
|     | 18 <sup>2</sup> | 86,682 |        |        |        |        |        |        |        |        |        |

<sup>1</sup> Effective January 1, 1987

<sup>2</sup> Pay limited to level V of the Executive Schedule, \$70,800

ACCELERATION FACTORS

|                    |   |
|--------------------|---|
| Retirement:        | 27.9% (20.9% unfunded; 7.0% DoD contribution) |
| Leave and Holiday: | 18.0%   |
| Benefits:          | 7.95%   |

CIVILIAN PAY - FY 1988  
GENERAL SCHEDULE<sup>1</sup> 5 U.S.C. 5332(a)

|     |                 | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     |
|-----|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GS- | 1               | 9,811  | 10,139 | 10,465 | 10,791 | 11,117 | 11,309 | 11,631 | 11,955 | 11,970 | 12,275 |
|     | 2               | 11,032 | 11,294 | 11,659 | 11,970 | 12,103 | 12,459 | 12,815 | 13,171 | 13,527 | 13,883 |
|     | 3               | 12,038 | 12,439 | 12,840 | 13,241 | 13,642 | 14,043 | 14,444 | 14,845 | 15,246 | 15,647 |
|     | 4               | 13,513 | 13,963 | 14,413 | 14,863 | 15,313 | 15,763 | 16,213 | 16,663 | 17,113 | 17,563 |
|     | 5               | 15,118 | 15,622 | 16,126 | 16,630 | 17,134 | 17,638 | 18,142 | 18,646 | 19,159 | 19,654 |
|     | 6               | 16,851 | 17,413 | 17,975 | 18,537 | 19,099 | 19,661 | 20,223 | 20,785 | 21,347 | 21,909 |
|     | 7               | 18,726 | 19,350 | 19,974 | 20,598 | 21,222 | 21,846 | 22,470 | 23,094 | 23,718 | 24,342 |
|     | 8               | 20,739 | 21,430 | 22,121 | 22,812 | 23,503 | 24,194 | 24,885 | 25,576 | 26,267 | 26,958 |
|     | 9               | 22,907 | 23,671 | 24,435 | 25,199 | 25,963 | 26,727 | 27,491 | 28,255 | 29,019 | 29,783 |
|     | 10              | 25,226 | 26,067 | 26,908 | 27,749 | 28,590 | 29,431 | 20,272 | 31,113 | 31,954 | 32,795 |
|     | 11              | 27,716 | 28,640 | 29,564 | 30,488 | 31,412 | 32,336 | 33,260 | 34,184 | 35,108 | 36,032 |
|     | 12              | 33,218 | 34,325 | 35,432 | 36,539 | 37,646 | 38,753 | 39,860 | 40,967 | 42,074 | 43,181 |
|     | 13              | 39,501 | 40,818 | 42,135 | 43,452 | 44,769 | 46,086 | 47,403 | 48,720 | 50,037 | 51,354 |
|     | 14              | 46,679 | 48,235 | 49,791 | 51,347 | 52,903 | 54,459 | 56,015 | 57,571 | 59,127 | 60,683 |
|     | 15              | 54,907 | 56,737 | 58,567 | 60,397 | 62,227 | 64,057 | 65,887 | 67,717 | 69,547 | 71,377 |
|     | 16 <sup>2</sup> | 64,397 | 66,544 | 68,691 | 70,838 | 72,500 | 73,660 | 75,765 | 77,870 | 79,975 |        |
|     | 17 <sup>2</sup> | 73,958 | 76,423 | 78,888 | 81,353 | 83,818 |        |        |        |        |        |
|     | 18 <sup>2</sup> | 86,682 |        |        |        |        |        |        |        |        |        |

<sup>1</sup> Effective January 1, 1988

<sup>2</sup> Pay limited to level V of the Executive Schedule, \$72,500

ACCELERATION FACTORS

|                    |   |
|--------------------|---|
| Retirement:        | 27.9% (20.9% unfunded; 7.0% DoD contribution) |
| Leave and Holiday: | 18.0%   |
| Benefits:          | 7.95%   |

CIVILIAN PAY - FY 1989  
GENERAL SCHEDULE<sup>1</sup> 5 U.S.C. 5332(a)

|     |                 | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     |
|-----|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GS- | 1               | 10,213 | 10,555 | 10,894 | 11,233 | 11,577 | 11,773 | 12,108 | 12,445 | 12,461 | 12,780 |
|     | 2               | 11,484 | 11,757 | 12,137 | 12,461 | 12,601 | 12,972 | 13,343 | 13,714 | 14,085 | 14,456 |
|     | 3               | 12,531 | 12,949 | 13,367 | 13,785 | 14,203 | 14,621 | 15,039 | 15,457 | 15,875 | 16,293 |
|     | 4               | 14,067 | 14,536 | 15,005 | 15,474 | 15,943 | 16,412 | 16,881 | 17,350 | 17,819 | 18,288 |
|     | 5               | 15,738 | 16,263 | 16,788 | 17,313 | 17,838 | 18,363 | 18,888 | 19,413 | 19,938 | 20,463 |
|     | 6               | 17,542 | 18,127 | 18,712 | 19,297 | 19,882 | 20,467 | 21,052 | 21,637 | 22,222 | 22,807 |
|     | 7               | 19,493 | 20,143 | 20,793 | 21,443 | 22,093 | 22,743 | 23,393 | 24,043 | 24,693 | 25,343 |
|     | 8               | 21,590 | 22,310 | 23,030 | 23,750 | 24,470 | 25,190 | 25,910 | 26,630 | 27,350 | 28,070 |
|     | 9               | 23,486 | 24,641 | 25,435 | 26,231 | 27,026 | 27,821 | 28,616 | 29,411 | 30,206 | 31,001 |
|     | 10              | 26,261 | 27,136 | 28,011 | 28,886 | 29,761 | 30,636 | 31,511 | 32,286 | 33,261 | 34,136 |
|     | 11              | 28,852 | 29,814 | 30,776 | 31,738 | 32,700 | 33,662 | 34,624 | 35,586 | 36,548 | 37,510 |
|     | 12              | 34,850 | 35,733 | 36,886 | 38,039 | 39,192 | 40,345 | 41,498 | 42,651 | 43,804 | 44,957 |
|     | 13              | 41,121 | 42,492 | 43,863 | 45,234 | 46,605 | 47,976 | 49,347 | 50,718 | 52,089 | 53,460 |
|     | 14              | 48,592 | 50,212 | 51,832 | 53,452 | 55,072 | 56,692 | 58,312 | 59,932 | 61,552 | 63,172 |
|     | 15              | 57,158 | 59,063 | 60,968 | 62,873 | 64,778 | 66,683 | 68,588 | 70,493 | 72,398 | 74,303 |
|     | 16 <sup>2</sup> | 67,038 | 69,273 | 71,508 | 73,743 | 75,473 | 76,678 | 78,869 | 81,060 | 82,500 |        |
|     | 17 <sup>2</sup> | 76,990 | 79,556 | 82,122 | 82,500 | 83,818 |        |        |        |        |        |
|     | 18 <sup>2</sup> | 86,682 |        |        |        |        |        |        |        |        |        |

<sup>1</sup> Effective January 1, 1989

<sup>2</sup> Pay limited to level V of the Executive Schedule, \$75,500

ACCELERATION FACTORS: See the Civilian Fringe Benefit Rate on the second page of this appendix.

CIVILIAN PAY - FY 1990  
GENERAL SCHEDULE<sup>1</sup> 5 U.S.C. 5332(a)

|     |                 | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     |
|-----|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GS- | 1               | 10,581 | 10,935 | 11,286 | 11,637 | 11,990 | 12,197 | 12,544 | 12,893 | 12,910 | 13,232 |
|     | 2               | 11,897 | 12,180 | 12,574 | 12,910 | 13,053 | 13,437 | 13,821 | 14,205 | 14,589 | 14,973 |
|     | 3               | 12,982 | 13,415 | 13,848 | 14,281 | 14,714 | 15,147 | 15,580 | 16,013 | 16,446 | 16,879 |
|     | 4               | 14,573 | 15,059 | 15,545 | 16,031 | 16,517 | 17,003 | 17,489 | 17,975 | 18,461 | 18,947 |
|     | 5               | 16,305 | 16,849 | 17,393 | 17,937 | 18,481 | 19,025 | 19,569 | 20,113 | 20,657 | 21,201 |
|     | 6               | 18,174 | 18,780 | 19,386 | 19,992 | 20,598 | 21,204 | 21,810 | 22,416 | 23,022 | 23,628 |
|     | 7               | 20,195 | 20,868 | 21,541 | 22,214 | 22,887 | 23,560 | 24,233 | 24,906 | 25,579 | 26,252 |
|     | 8               | 22,367 | 23,113 | 23,859 | 24,605 | 25,351 | 26,097 | 26,843 | 27,589 | 28,335 | 29,081 |
|     | 9               | 24,705 | 25,529 | 26,353 | 27,177 | 28,001 | 28,825 | 29,649 | 30,473 | 31,297 | 32,121 |
|     | 10              | 27,206 | 28,113 | 29,020 | 29,927 | 30,834 | 31,741 | 32,648 | 33,555 | 34,462 | 35,369 |
|     | 11              | 29,891 | 30,887 | 31,883 | 32,879 | 33,875 | 34,871 | 35,867 | 36,863 | 37,869 | 38,855 |
|     | 12              | 34,850 | 35,733 | 36,886 | 38,039 | 39,192 | 40,345 | 41,498 | 42,651 | 43,804 | 44,957 |
|     | 13              | 42,601 | 44,021 | 45,441 | 46,861 | 48,281 | 49,701 | 51,121 | 52,541 | 53,961 | 55,381 |
|     | 14              | 50,342 | 52,020 | 53,698 | 55,376 | 57,054 | 58,732 | 60,410 | 62,088 | 63,766 | 65,444 |
|     | 15              | 59,216 | 61,190 | 63,164 | 65,138 | 67,112 | 69,086 | 71,060 | 73,034 | 75,008 | 76,982 |
|     | 16              | 69,451 | 71,766 | 74,081 | 76,396 | 78,190 | 79,438 | 81,708 | 83,978 | 85,470 |        |
|     | 17 <sup>2</sup> | 79,762 | 82,420 | 85,078 | 85,470 | 85,500 |        |        |        |        |        |
|     | 18 <sup>2</sup> | 86,682 |        |        |        |        |        |        |        |        |        |

<sup>1</sup> Effective January 1, 1990

<sup>2</sup> Pay limited to level V of the Executive Schedule, \$78,200

ACCELERATION FACTORS: See the Civilian Fringe Benefit Rate on the second page of this appendix.

CIVILIAN PAY - FY 1991  
GENERAL SCHEDULE<sup>1</sup> 5 U.S.C. 5332(a)

|     |    | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     |
|-----|----|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GS- | 1  | 11,015 | 11,383 | 11,749 | 12,114 | 12,482 | 12,697 | 13,058 | 13,422 | 13,439 | 13,776 |
|     | 2  | 12,385 | 12,679 | 13,090 | 13,439 | 13,590 | 13,990 | 14,390 | 14,790 | 15,190 | 15,590 |
|     | 3  | 13,515 | 13,966 | 14,417 | 14,868 | 15,319 | 15,770 | 16,221 | 16,672 | 17,123 | 17,574 |
|     | 4  | 15,171 | 15,677 | 16,183 | 16,689 | 17,195 | 17,701 | 18,207 | 18,713 | 19,219 | 19,725 |
|     | 5  | 16,973 | 17,539 | 18,105 | 18,671 | 19,237 | 19,803 | 20,369 | 20,935 | 21,501 | 22,067 |
|     | 6  | 18,919 | 19,550 | 20,181 | 20,812 | 21,443 | 22,074 | 22,705 | 23,336 | 23,967 | 24,598 |
|     | 7  | 21,023 | 21,724 | 22,425 | 23,126 | 23,827 | 24,528 | 25,229 | 25,930 | 26,631 | 27,332 |
|     | 8  | 23,284 | 24,060 | 24,836 | 25,612 | 26,388 | 27,164 | 27,940 | 28,716 | 29,492 | 30,268 |
|     | 9  | 25,717 | 26,574 | 27,431 | 28,288 | 29,145 | 30,002 | 30,859 | 31,716 | 32,573 | 33,430 |
|     | 10 | 28,322 | 29,266 | 30,210 | 31,154 | 32,098 | 33,042 | 33,986 | 34,930 | 35,874 | 36,818 |
|     | 11 | 31,116 | 32,153 | 33,190 | 34,227 | 35,264 | 36,301 | 37,338 | 38,375 | 39,412 | 40,449 |
|     | 12 | 37,294 | 38,537 | 39,780 | 41,023 | 42,268 | 43,509 | 44,752 | 45,995 | 47,238 | 48,481 |
|     | 13 | 44,348 | 45,826 | 47,304 | 48,782 | 50,260 | 51,738 | 53,216 | 54,694 | 56,172 | 57,650 |
|     | 14 | 52,406 | 54,153 | 55,900 | 57,647 | 59,394 | 61,141 | 62,888 | 64,635 | 66,382 | 68,129 |
|     | 15 | 61,643 | 63,698 | 65,753 | 67,808 | 69,863 | 71,918 | 73,973 | 76,028 | 78,083 | 80,138 |
|     | 16 | 72,298 | 74,708 | 77,118 | 79,528 | 81,396 | 82,697 | 85,060 | 87,424 | 89,767 |        |
|     | 17 | 83,032 | 85,800 | 88,568 | 91,336 | 94,104 |        |        |        |        |        |
|     | 18 | 97,317 |        |        |        |        |        |        |        |        |        |

<sup>1</sup> Effective January 1, 1991

ACCELERATION FACTORS: See the Civilian Fringe Benefit Rate on the second page of this appendix.



CIVILIAN PAY - FY 1992  
GENERAL SCHEDULE<sup>1</sup> 5 U.S.C. 5332(a)

|     |    | 1      | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     |
|-----|----|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GS- | 1  | 11,478 | 11,861 | 12,242 | 12,623 | 13,006 | 13,230 | 13,606 | 13,986 | 14,003 | 14,356 |
|     | 2  | 12,905 | 13,212 | 13,640 | 14,003 | 14,157 | 14,573 | 14,989 | 15,405 | 15,821 | 16,237 |
|     | 3  | 14,082 | 14,551 | 15,020 | 15,489 | 15,958 | 16,427 | 16,896 | 17,365 | 17,834 | 18,303 |
|     | 4  | 15,808 | 16,335 | 16,862 | 17,389 | 17,916 | 18,443 | 18,970 | 19,497 | 20,024 | 20,551 |
|     | 5  | 17,686 | 18,276 | 18,866 | 19,456 | 20,046 | 20,636 | 21,226 | 21,816 | 22,406 | 22,996 |
|     | 6  | 19,713 | 20,370 | 21,027 | 21,684 | 22,341 | 22,998 | 23,655 | 24,312 | 24,969 | 25,626 |
|     | 7  | 21,906 | 22,636 | 23,366 | 24,096 | 24,826 | 25,556 | 26,286 | 27,016 | 27,746 | 28,476 |
|     | 8  | 24,262 | 25,071 | 25,880 | 26,689 | 27,498 | 28,307 | 29,116 | 29,925 | 30,734 | 31,543 |
|     | 9  | 26,798 | 27,691 | 28,584 | 29,477 | 30,370 | 31,263 | 32,156 | 33,049 | 33,942 | 34,835 |
|     | 10 | 29,511 | 30,495 | 31,479 | 32,463 | 33,447 | 34,431 | 35,415 | 36,399 | 37,383 | 38,367 |
|     | 11 | 32,423 | 33,504 | 34,585 | 35,666 | 36,747 | 37,828 | 38,909 | 39,990 | 41,071 | 42,152 |
|     | 12 | 38,861 | 40,156 | 41,451 | 42,746 | 44,041 | 45,336 | 46,631 | 47,926 | 49,221 | 50,516 |
|     | 13 | 46,210 | 47,750 | 49,290 | 50,830 | 52,370 | 53,910 | 55,450 | 56,990 | 58,530 | 60,070 |
|     | 14 | 54,607 | 56,427 | 58,247 | 60,067 | 61,887 | 63,707 | 65,527 | 67,327 | 69,167 | 70,987 |
|     | 15 | 64,233 | 66,374 | 68,515 | 70,656 | 72,797 | 74,938 | 77,079 | 79,220 | 81,361 | 83,502 |
|     | 16 |        |        |        |        |        |        |        |        |        |        |
|     | 17 |        |        |        |        |        |        |        |        |        |        |
|     | 18 |        |        |        |        |        |        |        |        |        |        |

<sup>1</sup> Effective January 1, 1992

ACCELERATION FACTORS: See the Civilian Fringe Benefit Rate on the second page of this appendix.

**MILITARY PAY - FY 1981**  
**ANNUAL COMPOSITE STANDARD RATES**

**ARMY**

| GRADE  | BASIC<br>PAY | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|--------|--------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| O-10   | \$50,112     | \$-----                               | \$9,900                       | \$2,490                           | \$-----                         | \$62,502                                |
| O-9    | 50,112       | 1,656                                 | 6,281                         | 2,490                             | 1,344                           | 61,883                                  |
| O-8    | 50,112       | 2,385                                 | 5,756                         | 2,490                             | 1,077                           | 61,820                                  |
| O-7    | 45,990       | 3,010                                 | 5,766                         | 2,490                             | 2,473                           | 59,729                                  |
| O-6    | 38,273       | 4,139                                 | 5,607                         | 2,490                             | 4,168                           | 54,677                                  |
| O-5    | 30,933       | 4,187                                 | 4,971                         | 2,490                             | 2,510                           | 45,091                                  |
| O-4    | 25,366       | 3,608                                 | 4,645                         | 2,490                             | 2,210                           | 38,319                                  |
| O-3    | 20,866       | 3,485                                 | 4,256                         | 2,490                             | 856                             | 31,973                                  |
| O-2    | 16,630       | 2,915                                 | 3,993                         | 2,490                             | 343                             | 26,101                                  |
| O-1    | 11,936       | 2,454                                 | 3,535                         | 2,490                             | 344                             | 20,759                                  |
| W-4    | 24,079       | 3,690                                 | 5,078                         | 2,490                             | 1,127                           | 36,465                                  |
| W-3    | 18,701       | 3,257                                 | 4,232                         | 2,490                             | 1,127                           | 29,807                                  |
| W-2    | 16,169       | 2,676                                 | 3,992                         | 2,490                             | 1,127                           | 26,454                                  |
| W-1    | 13,828       | 2,598                                 | 3,665                         | 2,490                             | 1,127                           | 23,708                                  |
| E-9    | 20,643       | 2,417                                 | 3,872                         | 907                               | 71                              | 27,910                                  |
| E-8    | 17,088       | 2,198                                 | 3,649                         | 907                               | 77                              | 23,919                                  |
| E-7    | 14,093       | 1,951                                 | 3,297                         | 907                               | 81                              | 20,329                                  |
| E-6    | 11,565       | 1,667                                 | 3,079                         | 907                               | 91                              | 17,309                                  |
| E-5    | 9,345        | 1,419                                 | 2,890                         | 907                               | 95                              | 14,656                                  |
| E-4    | 8,088        | 1,009                                 | 2,670                         | 907                               | 74                              | 12,748                                  |
| E-3    | 7,204        | 640                                   | 2,834                         | 907                               | 65                              | 11,650                                  |
| E-2    | 6,703        | 455                                   | 2,444                         | 907                               | 69                              | 10,578                                  |
| E-1    | 6,016        | 373                                   | 1,945                         | 907                               | 55                              | 9,296                                   |
| Cadets | 5,035        |                                       | 1,547                         | 80                                |                                 | 6,662                                   |

**Acceleration Factors**

|                    |                                       |
|--------------------|---------------------------------------|
| Retirement         | 26.5%                                 |
| Leave and Holidays | 18.0%                                 |
| Other Benefits     | 8.0% for officers; 23.0% for enlisted |

**Note:**

|              |                                  |
|--------------|----------------------------------|
| Monthly Rate | = 1/12 (.8333) of annual rate    |
| Daily Rate   | = 1/260 (.00385) of annual rate  |
| Hourly Rate  | = 1/2080 (.00048) of annual rate |

**MILITARY PAY - FY 1981**  
**ANNUAL COMPOSITE STANDARD RATES**

**NAVY**

| GRADE | BASIC<br>PAY | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|-------|--------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| O-10  | \$50,112     | \$1,600                               | \$7,697                       | \$2,150                           | \$ 152                          | \$61,711                                |
| O-9   | 50,112       | 1,033                                 | 5,797                         | 2,150                             | 652                             | 59,744                                  |
| O-8   | 50,112       | 3,483                                 | 6,688                         | 2,150                             | 542                             | 62,975                                  |
| O-7   | 45,990       | 4,152                                 | 3,343                         | 2,150                             | 395                             | 56,030                                  |
| O-6   | 38,462       | 5,037                                 | 4,215                         | 2,150                             | 4,094                           | 53,958                                  |
| O-5   | 30,678       | 5,099                                 | 3,630                         | 2,150                             | 2,969                           | 44,526                                  |
| O-4   | 24,995       | 4,475                                 | 3,254                         | 2,150                             | 3,581                           | 38,455                                  |
| O-3   | 20,978       | 3,821                                 | 3,319                         | 2,150                             | 3,154                           | 33,422                                  |
| O-2   | 16,557       | 3,082                                 | 2,640                         | 2,150                             | 810                             | 25,239                                  |
| O-1   | 12,192       | 2,358                                 | 2,101                         | 2,150                             | 571                             | 19,372                                  |
|       |              |                                       |                               |                                   |                                 |   |
| W-4   | 23,942       | 3,924                                 | 4,044                         | 2,150                             | 167                             | 34,227                                  |
| W-3   | 19,788       | 3,511                                 | 2,989                         | 2,150                             | 163                             | 28,601                                  |
| W-2   | 17,357       | 2,650                                 | 2,570                         | 2,150                             | 164                             | 24,891                                  |
|       |              |                                       |                               |                                   |                                 |   |
| E-9   | 20,124       | 3,723                                 | 4,253                         | 973                               | 243                             | 29,316                                  |
| E-8   | 16,796       | 3,239                                 | 3,725                         | 973                               | 287                             | 25,020                                  |
| E-7   | 14,132       | 2,763                                 | 3,355                         | 973                               | 299                             | 21,522                                  |
| E-6   | 11,684       | 2,296                                 | 3,061                         | 973                               | 293                             | 18,307                                  |
| E-5   | 9,296        | 1,842                                 | 2,832                         | 973                               | 319                             | 15,262                                  |
| E-4   | 8,108        | 1,200                                 | 2,639                         | 973                               | 263                             | 13,183                                  |
| E-3   | 7,284        | 716                                   | 2,527                         | 973                               | 109                             | 11,609                                  |
| E-2   | 6,704        | 470                                   | 2,447                         | 973                               | 35                              | 10,629                                  |
| E-1   | 6,016        | 274                                   | 2,351                         | 973                               | 19                              | 9,633                                   |

|          |       |  |       |    |  |       |
|----------|-------|--|-------|----|--|-------|
| Midship- | 5,035 |  | 1,546 | 36 |  | 6,633 |
| men      |       |  |       |    |  |       |

**Acceleration Factors**

|                    |                                       |
|--------------------|---------------------------------------|
| Retirement         | 26.5%                                 |
| Leave and Holidays | 18.0%                                 |
| Other Benefits     | 8.0% for officers; 23.0% for enlisted |

**Note:**

|              |                                  |
|--------------|----------------------------------|
| Monthly Rate | = 1/12 (.8333) of annual rate    |
| Daily Rate   | = 1/260 (.00385) of annual rate  |
| Hourly Rate  | = 1/2080 (.00048) of annual rate |

**MILITARY PAY - FY 1981**  
**ANNUAL COMPOSITE STANDARD RATES**

**MARINE CORPS**

| GRADE | BASIC<br>PAY | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|-------|--------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| O-10  | \$50,113     | \$-----                               | \$7,593                       | \$1,917                           | \$ 18                           | \$59,641                                |
| O-9   | 50,113       | 3,438                                 | 5,165                         | 1,917                             | 18                              | 60,651                                  |
| O-8   | 50,113       | 3,438                                 | 4,593                         | 1,917                             | 18                              | 60,079                                  |
| O-7   | 46,000       | 3,438                                 | 4,593                         | 1,917                             | 720                             | 56,668                                  |
| O-6   | 39,394       | 4,967                                 | 4,360                         | 1,917                             | 720                             | 51,358                                  |
| O-5   | 31,829       | 4,762                                 | 4,003                         | 1,917                             | 720                             | 43,231                                  |
| O-4   | 25,932       | 4,162                                 | 3,629                         | 1,917                             | 720                             | 36,360                                  |
| O-3   | 21,748       | 3,961                                 | 3,329                         | 1,917                             | 720                             | 31,675                                  |
| O-2   | 17,313       | 3,275                                 | 2,941                         | 1,917                             | 720                             | 26,166                                  |
| O-1   | 12,451       | 1,933                                 | 2,396                         | 1,917                             | 720                             | 19,417                                  |
| W-4   | 24,147       | 3,393                                 | 3,368                         | 1,917                             | 720                             | 33,545                                  |
| W-3   | 19,254       | 3,175                                 | 3,049                         | 1,917                             | 720                             | 28,115                                  |
| W-2   | 15,814       | 2,988                                 | 2,824                         | 1,917                             | 720                             | 24,263                                  |
| W-1   | 14,302       | 3,077                                 | 2,726                         | 1,917                             | 720                             | 22,742                                  |
| E-9   | 20,145       | 4,254                                 | 3,978                         | 759                               | 137                             | 29,543                                  |
| E-8   | 16,487       | 3,486                                 | 3,682                         | 759                               | 138                             | 24,552                                  |
| E-7   | 13,524       | 3,098                                 | 3,235                         | 759                               | 178                             | 20,794                                  |
| E-6   | 11,220       | 2,453                                 | 3,122                         | 759                               | 154                             | 17,708                                  |
| E-5   | 9,102        | 1,752                                 | 3,077                         | 759                               | 137                             | 14,827                                  |
| E-4   | 7,921        | 896                                   | 2,963                         | 759                               | 119                             | 12,658                                  |
| E-3   | 7,195        | 503                                   | 2,008                         | 759                               | 30                              | 10,495                                  |
| E-2   | 6,535        | 234                                   | 2,080                         | 759                               | 23                              | 9,631                                   |
| E-1   | 5,848        | 164                                   | 2,010                         | 759                               | 23                              | 8,804                                   |

**Acceleration Factors**

|                    |                                       |
|--------------------|---------------------------------------|
| Retirement         | 26.5%                                 |
| Leave and Holidays | 18.0%                                 |
| Other Benefits     | 8.0% for officers; 23.0% for enlisted |

**Note:**

|              |                                  |
|--------------|----------------------------------|
| Monthly Rate | = 1/12 (.8333) of annual rate    |
| Daily Rate   | = 1/260 (.00385) of annual rate  |
| Hourly Rate  | = 1/2080 (.00048) of annual rate |

**MILITARY PAY - FY 1981**  
**ANNUAL COMPOSITE STANDARD RATES**

**AIR FORCE**

| GRADE  | BASIC<br>PAY | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|--------|--------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| O-10   | \$50,113     | \$ 562                                | \$8,720                       | \$2,049                           | \$ --                           | \$61,444                                |
| O-9    | 50,113       | 375                                   | 6,115                         | 2,049                             | 117                             | 58,769                                  |
| O-8    | 50,113       | 1,620                                 | 4,247                         | 2,049                             | 271                             | 58,300                                  |
| O-7    | 45,990       | 2,330                                 | 4,285                         | 2,049                             | 590                             | 55,245                                  |
| O-6    | 37,891       | 4,058                                 | 4,042                         | 2,049                             | 3,207                           | 51,247                                  |
| O-5    | 30,797       | 4,736                                 | 3,548                         | 2,049                             | 2,466                           | 43,596                                  |
| O-4    | 25,619       | 4,162                                 | 3,116                         | 2,049                             | 2,286                           | 37,232                                  |
| O-3    | 21,227       | 3,584                                 | 3,219                         | 2,049                             | 2,225                           | 32,304                                  |
| O-2    | 16,405       | 2,430                                 | 2,674                         | 2,049                             | 646                             | 24,204                                  |
| O-1    | 12,260       | 1,836                                 | 2,572                         | 2,049                             | 394                             | 19,111                                  |
|        |              |                                       |                               |                                   |                                 |   |
| E-9    | 20,782       | 2,756                                 | 3,250                         | 1,066                             | 115                             | 27,969                                  |
| E-8    | 17,224       | 2,303                                 | 3,177                         | 1,066                             | 136                             | 23,906                                  |
| E-7    | 14,533       | 2,111                                 | 3,073                         | 1,066                             | 115                             | 20,898                                  |
| E-6    | 12,295       | 1,827                                 | 2,972                         | 1,066                             | 103                             | 18,283                                  |
| E-5    | 9,979        | 1,609                                 | 2,931                         | 1,066                             | 84                              | 15,669                                  |
| E-4    | 8,474        | 1,442                                 | 2,765                         | 1,066                             | 56                              | 13,803                                  |
| E-3    | 7,196        | 866                                   | 2,540                         | 1,066                             | 34                              | 11,702                                  |
| E-2    | 6,698        | 545                                   | 2,401                         | 1,066                             | 38                              | 10,738                                  |
| E-1    | 6,011        | 345                                   | 2,350                         | 1,066                             | 20                              | 9,792                                   |
|        |              |                                       |                               |                                   |                                 |   |
| CADETS | 5,034        |                                       | 1,544                         | 199                               |                                 | 6,697                                   |

**Acceleration Factors**

Retirement 26.5%  
 Leave and Holidays 18.0%  
 Other Benefits 8.0% for officers; 23.0% for enlisted

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate  
 Daily Rate = 1/260 (.00385) of annual rate  
 Hourly Rate = 1/2080 (.00048) of annual rate

**MILITARY PAY - FY 1982**  
**ANNUAL COMPOSITE STANDARD RATES**

**ARMY**

| GRADE  | BASIC<br>PAY          | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|--------|-----------------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| O-10   | \$50,112 <sup>1</sup> | \$-----                               | \$8,889                       | \$2,621                           | \$-----                         | \$61,622 <sup>2</sup>                   |
| O-9    | 50,112                | 12,917                                | 6,639                         | 2,621                             | 1,389                           | 63,678 <sup>2</sup>                     |
| O-8    | 50,112                | 13,000                                | 6,223                         | 2,621                             | 1,108                           | 63,064 <sup>2</sup>                     |
| O-7    | 50,112                | 12,990                                | 6,206                         | 2,621                             | 2,510                           | 64,439 <sup>2</sup>                     |
| O-6    | 43,644                | 4,903                                 | 6,008                         | 2,621                             | 4,188                           | 61,364                                  |
| O-5    | 35,268                | 4,817                                 | 5,505                         | 2,621                             | 2,586                           | 50,797                                  |
| O-4    | 29,000                | 3,806                                 | 4,965                         | 2,621                             | 2,246                           | 42,638                                  |
| O-3    | 23,720                | 3,192                                 | 4,496                         | 2,621                             | 780                             | 34,809                                  |
| O-2    | 17,982                | 2,193                                 | 4,035                         | 2,621                             | 315                             | 27,146                                  |
| O-1    | 13,663                | 1,559                                 | 3,576                         | 2,621                             | 315                             | 21,734                                  |
| W-4    | 27,441                | 3,668                                 | 5,212                         | 2,621                             | 979                             | 39,921                                  |
| W-3    | 21,416                | 2,912                                 | 4,516                         | 2,621                             | 979                             | 32,444                                  |
| W-2    | 18,423                | 2,243                                 | 4,096                         | 2,621                             | 979                             | 28,362                                  |
| W-1    | 15,719                | 1,990                                 | 3,704                         | 2,621                             | 979                             | 25,013                                  |
| E-9    | 24,280                | 3,390                                 | 4,221                         | 1,090                             | 136                             | 33,117                                  |
| E-8    | 19,984                | 2,964                                 | 3,787                         | 1,090                             | 139                             | 27,964                                  |
| E-7    | 16,414                | 2,585                                 | 3,422                         | 1,090                             | 142                             | 23,653                                  |
| E-6    | 13,466                | 2,132                                 | 3,147                         | 1,090                             | 151                             | 19,986                                  |
| E-5    | 10,916                | 1,742                                 | 2,979                         | 1,090                             | 157                             | 16,884                                  |
| E-4    | 9,218                 | 1,140                                 | 2,808                         | 1,090                             | 141                             | 14,397                                  |
| E-3    | 7,930                 | 745                                   | 2,594                         | 1,090                             | 129                             | 12,488                                  |
| E-2    | 7,430                 | 566                                   | 2,218                         | 1,090                             | 127                             | 11,431                                  |
| E-1    | 6,626                 | 400                                   | 3,409                         | 1,090                             | 121                             | 11,646                                  |
| CADETS | 5,753                 |                                       | 2,017                         | 80                                |                                 | 7,850                                   |

**Acceleration Factors**

|                    |                                       |
|--------------------|---------------------------------------|
| Retirement         | 26.5%                                 |
| Leave and Holidays | 18.0%                                 |
| Other Benefits     | 8.0% for officers; 23.0% for enlisted |

Note:

Monthly Rate = 1/12 (.8333) of annual rate  
Daily Rate = 1/260 (.00385) of annual rate  
Hourly Rate = 1/2080 (.00048) of annual rate

<sup>1</sup> Effective January 1, 1982, the amount is \$57,499 for O-8 through O-10 and \$52,576 for O-7.

<sup>2</sup> Effective January 1, 1982, the amount should be increased to reflect changes in basic pay.

**MILITARY PAY - FY 1982**  
**ANNUAL COMPOSITE STANDARD RATES**

| NAVY            |                       |                              |                               |                                   |                                 |   |
|-----------------|-----------------------|------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE           | BASIC PAY             | BASIC ALLOWANCE FOR QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10            | \$50,112 <sup>1</sup> | \$1,800                      | \$8,413                       | \$2,369                           | \$--346                         | \$63,040 <sup>2</sup>                   |
| O-9             | 50,112 <sup>1</sup>   | 2,968                        | 6,478                         | 2,369                             | 392                             | 63,319 <sup>2</sup>                     |
| O-8             | 50,112                | 13,955                       | 7,346                         | 2,369                             | 360                             | 63,142 <sup>2</sup>                     |
| O-7             | 50,112                | 12,990                       | 3,565                         | 2,369                             | 549                             | 62,050 <sup>2</sup>                     |
| O-6             | 43,954                | 6,320                        | 4,741                         | 2,369                             | 4,409                           | 61,793                                  |
| O-5             | 34,960                | 6,204                        | 4,082                         | 2,369                             | 4,366                           | 51,981                                  |
| O-4             | 28,496                | 5,352                        | 3,684                         | 2,369                             | 4,078                           | 43,979                                  |
| O-3             | 23,883                | 4,239                        | 3,575                         | 2,369                             | 3,493                           | 37,559                                  |
| O-2             | 18,951                | 3,251                        | 2,801                         | 2,369                             | 1,791                           | 29,163                                  |
| O-1             | 13,903                | 2,272                        | 2,352                         | 2,369                             | 1,600                           | 22,496                                  |
| W-4             | 27,411                | 4,760                        | 4,057                         | 2,369                             | 1,268                           | 39,865                                  |
| W-3             | 22,691                | 4,002                        | 3,156                         | 2,369                             | 1,437                           | 33,655                                  |
| W-2             | 19,864                | 2,802                        | 2,866                         | 2,369                             | 2,126                           | 30,027                                  |
| E-9             | 23,715                | 4,647                        | 4,802                         | 1,037                             | 780                             | 34,981                                  |
| E-8             | 19,678                | 3,977                        | 4,419                         | 1,037                             | 1,019                           | 30,130                                  |
| E-7             | 16,524                | 3,353                        | 4,098                         | 1,037                             | 1,086                           | 26,098                                  |
| E-6             | 13,545                | 2,712                        | 3,752                         | 1,037                             | 859                             | 21,905                                  |
| E-5             | 10,775                | 2,108                        | 3,449                         | 1,037                             | 722                             | 18,091                                  |
| E-4             | 9,115                 | 1,341                        | 3,285                         | 1,037                             | 574                             | 15,352                                  |
| E-3             | 8,006                 | 858                          | 3,095                         | 1,037                             | 63                              | 13,059                                  |
| E-2             | 7,420                 | 554                          | 2,959                         | 1,037                             | 46                              | 12,016                                  |
| E-1             | 6,618                 | 334                          | 2,787                         | 1,037                             | 36                              | 10,812                                  |
| Midship-<br>men | 5,537                 |                              | 1,760                         | 102                               | 154                             | 7,553                                   |

**Acceleration Factors**

|                    |                                       |
|--------------------|---------------------------------------|
| Retirement         | 26.5%                                 |
| Leave and Holidays | 18.0%                                 |
| Other Benefits     | 8.0% for officers; 23.0% for enlisted |

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate  
Daily Rate = 1/260 (.00385) of annual rate  
Hourly Rate = 1/2080 (.00048) of annual rate

<sup>1</sup> Effective January 1, 1982, the amount is \$57,499 for O-8 through O-10 and \$52,576 for O-7.

<sup>2</sup> Effective January 1, 1982, the amount should be increased to reflect changes in basic pay.

**MILITARY PAY - FY 1982**  
**ANNUAL COMPOSITE STANDARD RATES**

| MARINE CORPS |                       |                                       |                               |                                   |                                 |   |
|--------------|-----------------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE        | BASIC<br>PAY          | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10         | \$50,113 <sup>1</sup> | \$-----                               | \$8,493                       | \$2,326                           | \$--676                         | \$61,608 <sup>2</sup>                   |
| O-9          | 50,113                | 14,182                                | 5,993                         | 2,326                             | 676                             | 63,290 <sup>2</sup>                     |
| O-8          | 50,113                | 14,182                                | 5,493                         | 2,326                             | 676                             | 62,790 <sup>2</sup>                     |
| O-7          | 50,113                | 14,182                                | 5,493                         | 2,326                             | 1,474                           | 63,588 <sup>2</sup>                     |
| O-6          | 44,908                | 5,958                                 | 5,315                         | 2,326                             | 1,479                           | 59,986                                  |
| O-5          | 36,234                | 5,612                                 | 4,539                         | 2,326                             | 1,484                           | 50,195                                  |
| O-4          | 29,519                | 4,806                                 | 4,118                         | 2,326                             | 1,478                           | 42,247                                  |
| O-3          | 24,839                | 4,176                                 | 3,826                         | 2,326                             | 1,475                           | 36,642                                  |
| O-2          | 19,769                | 3,399                                 | 3,360                         | 2,326                             | 1,474                           | 30,328                                  |
| O-1          | 14,156                | 1,617                                 | 2,778                         | 2,326                             | 1,474                           | 22,351                                  |
| W-4          | 27,730                | 3,317                                 | 3,950                         | 2,326                             | 1,524                           | 38,847                                  |
| W-3          | 21,736                | 4,239                                 | 3,549                         | 2,326                             | 1,526                           | 33,376                                  |
| W-2          | 18,302                | 2,679                                 | 3,319                         | 2,326                             | 1,498                           | 28,124                                  |
| W-1          | 16,157                | 3,387                                 | 3,176                         | 2,326                             | 1,484                           | 26,530                                  |
| E-9          | 23,446                | 4,590                                 | 4,694                         | 967                               | 206                             | 33,903                                  |
| E-8          | 18,911                | 3,703                                 | 4,215                         | 967                               | 193                             | 27,989                                  |
| E-7          | 15,251                | 3,703                                 | 3,748                         | 967                               | 216                             | 23,259                                  |
| E-6          | 12,507                | 2,626                                 | 3,545                         | 967                               | 117                             | 19,822                                  |
| E-5          | 10,348                | 2,045                                 | 3,520                         | 967                               | 151                             | 17,031                                  |
| E-4          | 9,139                 | 1,290                                 | 3,405                         | 967                               | 142                             | 14,943                                  |
| E-3          | 8,136                 | 658                                   | 2,505                         | 967                               | 30                              | 12,296                                  |
| E-2          | 7,406                 | 408                                   | 2,432                         | 967                               | 22                              | 11,235                                  |
| E-1          | 6,620                 | 281                                   | 2,382                         | 967                               | 22                              | 10,272                                  |

**Acceleration Factors**

|                    |                                       |
|--------------------|---------------------------------------|
| Retirement         | 26.5%                                 |
| Leave and Holidays | 18.0%                                 |
| Other Benefits     | 8.0% for officers; 23.0% for enlisted |

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate  
Daily Rate = 1/260 (.00385) of annual rate  
Hourly Rate = 1/2080 (.00048) of annual rate

<sup>1</sup> Effective January 1, 1982, the amount is \$57,499 for O-8 through O-10 and \$52,576 for O-7.

<sup>2</sup> Effective January 1, 1982, the amount should be increased to reflect changes in basic pay.



**MILITARY PAY - FY 1982**  
**ANNUAL COMPOSITE STANDARD RATES**

| GRADE  | AIR FORCE             |                                       |                               |                                   |                                 | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|--------|-----------------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
|        | BASIC<br>PAY          | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY |   |
| O-10   | \$50,112 <sup>1</sup> | \$-----                               | \$7,755                       | \$2,451                           | \$-----                         | \$60,318 <sup>2</sup>                   |
| O-9    | 50,112 <sup>1</sup>   | 553                                   | 6,321                         | 2,451                             | 288                             | 59,725 <sup>2</sup>                     |
| O-8    | 50,112 <sup>1</sup>   | 2,472                                 | 5,286                         | 2,451                             | 531                             | 60,852 <sup>2</sup>                     |
| O-7    | 50,112 <sup>1</sup>   | 2,921                                 | 4,787                         | 2,451                             | 930                             | 61,201 <sup>2</sup>                     |
| O-6    | 43,288                | 5,150                                 | 4,573                         | 2,451                             | 2,760                           | 58,242                                  |
| O-5    | 35,103                | 5,662                                 | 4,378                         | 2,451                             | 2,212                           | 49,806                                  |
| O-4    | 29,344                | 4,988                                 | 3,586                         | 2,451                             | 3,522                           | 43,891                                  |
| O-3    | 24,327                | 4,026                                 | 3,417                         | 2,451                             | 1,640                           | 35,861                                  |
| O-2    | 18,884                | 2,717                                 | 2,578                         | 2,451                             | 572                             | 27,202                                  |
| O-1    | 13,958                | 2,239                                 | 2,255                         | 2,451                             | 500                             | 21,403                                  |
| E-9    | 24,389                | 3,384                                 | 4,866                         | 1,291                             | 154                             | 34,084                                  |
| E-8    | 20,353                | 2,816                                 | 4,410                         | 1,291                             | 171                             | 20,041                                  |
| E-7    | 17,055                | 2,644                                 | 4,049                         | 1,291                             | 169                             | 25,228                                  |
| E-6    | 14,262                | 2,227                                 | 2,691                         | 1,291                             | 151                             | 21,622                                  |
| E-5    | 11,627                | 1,915                                 | 3,395                         | 1,291                             | 113                             | 18,341                                  |
| E-4    | 9,678                 | 1,676                                 | 3,090                         | 1,291                             | 58                              | 15,693                                  |
| E-3    | 7,957                 | 1,062                                 | 2,685                         | 1,291                             | 23                              | 13,018                                  |
| E-2    | 7,420                 | 616                                   | 2,579                         | 1,291                             | 17                              | 10,763                                  |
| E-1    | 6,617                 | 401                                   | 2,451                         | 1,291                             | 3                               | 10,763                                  |
| Cadets | 5,527                 |                                       | 1,757                         | 208                               |                                 | 7,492                                   |

**Acceleration Factors**

|                    |                                       |
|--------------------|---------------------------------------|
| Retirement         | 26.5%                                 |
| Leave and Holidays | 18.0%                                 |
| Other Benefits     | 8.0% for officers; 23.0% for enlisted |

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate  
Daily Rate = 1/260 (.00385) of annual rate  
Hourly Rate = 1/2080 (.00048) of annual rate

<sup>1</sup> Effective January 1, 1982, the amount is \$57,499 for O-8 through O-10 and \$52,576 for O-7.

<sup>2</sup> Effective January 1, 1982, the amount should be increased to reflect changes in basic pay.

**MILITARY PAY**  
**ANNUAL COMPOSITE STANDARD RATES**  
**OCTOBER 1, 1982 - DECEMBER 31, 1982**

| <b>ARMY</b> |              |                                       |                               |                                   |                                 |   |
|-------------|--------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE       | BASIC<br>PAY | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10        | \$57,499     | \$-----                               | \$7,778                       | \$2,627                           | \$-----                         | \$67,904                                |
| O-9         | 57,499       | 2,333                                 | 5,267                         | 2,627                             | 1,156                           | 68,882                                  |
| O-8         | 57,499       | 2,340                                 | 4,792                         | 2,627                             | 1,229                           | 68,487                                  |
| O-7         | 54,670       | 2,422                                 | 4,784                         | 2,627                             | 2,663                           | 67,166                                  |
| O-6         | 45,790       | 4,876                                 | 4,776                         | 2,627                             | 4,162                           | 62,231                                  |
| O-5         | 36,928       | 4,900                                 | 4,331                         | 2,627                             | 2,679                           | 51,465                                  |
| O-4         | 30,452       | 4,083                                 | 3,822                         | 2,627                             | 2,306                           | 43,290                                  |
| O-3         | 24,775       | 3,369                                 | 3,324                         | 2,627                             | 795                             | 34,890                                  |
| O-2         | 18,686       | 2,325                                 | 2,845                         | 2,627                             | 361                             | 26,844                                  |
| O-1         | 14,308       | 1,760                                 | 2,401                         | 2,627                             | 361                             | 21,457                                  |
|             |              |                                       |                               |                                   |                                 |   |
| W-4         | 28,100       | 3,894                                 | 4,034                         | 2,627                             | 1,541                           | 40,196                                  |
| W-3         | 22,560       | 3,051                                 | 3,375                         | 2,627                             | 1,541                           | 33,154                                  |
| W-2         | 19,095       | 2,403                                 | 2,964                         | 2,627                             | 1,541                           | 28,630                                  |
| W-1         | 16,395       | 2,158                                 | 2,591                         | 2,627                             | 1,541                           | 25,312                                  |
|             |              |                                       |                               |                                   |                                 |   |
| E-9         | 25,221       | 3,544                                 | 4,364                         | 1,356                             | 94                              | 34,579                                  |
| E-8         | 20,696       | 3,178                                 | 3,903                         | 1,356                             | 96                              | 29,229                                  |
| E-7         | 16,876       | 2,738                                 | 3,563                         | 1,356                             | 100                             | 24,633                                  |
| E-6         | 13,892       | 2,275                                 | 3,301                         | 1,356                             | 106                             | 20,930                                  |
| E-5         | 11,442       | 1,853                                 | 3,117                         | 1,356                             | 116                             | 17,884                                  |
| E-4         | 9,575        | 1,245                                 | 2,938                         | 1,356                             | 100                             | 15,214                                  |
| E-3         | 8,302        | 856                                   | 2,763                         | 1,356                             | 87                              | 13,364                                  |
| E-2         | 7,715        | 616                                   | 2,428                         | 1,356                             | 84                              | 12,199                                  |
| E-1         | 6,883        | 451                                   | 4,154                         | 1,356                             | 77                              | 12,921                                  |
|             |              |                                       |                               |                                   |                                 |   |
| Cadets      | 5,760        |                                       | 1,871                         | 111                               |                                 | 7,742                                   |

**Acceleration Factors**

Retirement            26.5%  
 Leave and Holidays   18.0%  
 Other Benefits        8.0% for officers; 23.0% for enlisted

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate  
 Daily Rate    = 1/260 (.00385) of annual rate  
 Hourly Rate   = 1/2080 (.00048) of annual rate

**MILITARY PAY**  
**ANNUAL COMPOSITE STANDARD RATES**  
 January 1, 1983 - September 30, 1983

| ARMY   |              |                                       |                               |                                   |                                 |   |
|--------|--------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE  | BASIC<br>PAY | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10   | \$63,799     | \$-----                               | \$7,778                       | \$2,520                           | \$-----                         | \$74,097                                |
| O-9    | 63,799       | 2,441                                 | 5,267                         | 2,520                             | 1,156                           | 75,183                                  |
| O-8    | 62,878       | 2,448                                 | 4,792                         | 2,520                             | 1,229                           | 73,867                                  |
| O-7    | 54,670       | 2,530                                 | 4,784                         | 2,520                             | 2,663                           | 67,167                                  |
| O-6    | 45,583       | 5,017                                 | 4,776                         | 2,520                             | 4,162                           | 62,058                                  |
| O-5    | 36,906       | 5,023                                 | 4,331                         | 2,520                             | 2,679                           | 51,459                                  |
| O-4    | 30,502       | 4,152                                 | 3,822                         | 2,520                             | 2,306                           | 43,302                                  |
| O-3    | 24,807       | 3,438                                 | 3,324                         | 2,520                             | 795                             | 34,884                                  |
| O-2    | 18,850       | 2,412                                 | 2,845                         | 2,520                             | 361                             | 26,988                                  |
| O-1    | 14,341       | 1,787                                 | 2,401                         | 2,520                             | 361                             | 21,410                                  |
|        |              |                                       |                               |                                   |                                 |   |
| W-4    | 28,071       | 3,947                                 | 4,034                         | 2,520                             | 1,541                           | 40,113                                  |
| W-3    | 22,541       | 3,088                                 | 3,375                         | 2,520                             | 1,541                           | 33,065                                  |
| W-2    | 19,028       | 2,463                                 | 2,964                         | 2,520                             | 1,541                           | 28,516                                  |
| W-1    | 16,145       | 2,190                                 | 2,591                         | 2,520                             | 1,541                           | 24,987                                  |
|        |              |                                       |                               |                                   |                                 |   |
| E-9    | 25,142       | 3,600                                 | 4,334                         | 1,075                             | 94                              | 34,245                                  |
| E-8    | 20,542       | 3,343                                 | 3,873                         | 1,075                             | 96                              | 28,828                                  |
| E-7    | 16,863       | 2,800                                 | 3,533                         | 1,075                             | 100                             | 24,371                                  |
| E-6    | 13,856       | 2,339                                 | 3,271                         | 1,075                             | 106                             | 20,647                                  |
| E-5    | 11,444       | 1,877                                 | 3,087                         | 1,075                             | 116                             | 17,599                                  |
| E-4    | 9,625        | 1,261                                 | 2,908                         | 1,075                             | 100                             | 14,969                                  |
| E-3    | 8,293        | 877                                   | 2,733                         | 1,075                             | 87                              | 13,065                                  |
| E-2    | 7,715        | 643                                   | 2,494                         | 1,075                             | 84                              | 12,011                                  |
| E-1    | 6,883        | 453                                   | 4,105                         | 1,075                             | 77                              | 12,593                                  |
|        |              |                                       |                               |                                   |                                 |   |
| CADETS | 5,760        |                                       | 1,689                         | 120                               |                                 | 7,569                                   |

**Acceleration Factors**

Retirement 26.5%

Leave and Holidays 18.0%

Other Benefits 8.0% for officers; 23.0% for enlisted

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**MILITARY PAY**  
**ANNUAL COMPOSITE STANDARD RATES**  
**October 1, 1982 - September 30, 1983**

| NAVY  |                       |                                       |                               |                                   |                                 |   |
|-------|-----------------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE | BASIC<br>PAY          | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10  | \$57,499 <sup>1</sup> | \$-----                               | \$8,827                       | \$2,465                           | \$ 52                           | \$68,843 <sup>2</sup>                   |
| O-9   | 57,499 <sup>1</sup>   | 2,323                                 | 5,816                         | 2,465                             | 1,676                           | 69,779 <sup>2</sup>                     |
| O-8   | 57,499 <sup>3</sup>   | 5,116                                 | 6,842                         | 2,465                             | 1,665                           | 73,587 <sup>4</sup>                     |
| O-7   | 54,670                | 5,063                                 | 4,179                         | 2,465                             | 1,835                           | 68,212                                  |
| O-6   | 45,720                | 6,359                                 | 4,828                         | 2,465                             | 5,002                           | 64,374                                  |
| O-5   | 36,239                | 6,523                                 | 4,149                         | 2,465                             | 4,541                           | 53,917                                  |
| O-4   | 29,802                | 5,791                                 | 3,927                         | 2,465                             | 4,178                           | 46,163                                  |
| O-3   | 24,849                | 4,556                                 | 3,685                         | 2,465                             | 3,542                           | 39,097                                  |
| O-2   | 19,612                | 3,540                                 | 2,911                         | 2,465                             | 1,614                           | 30,142                                  |
| O-1   | 14,512                | 2,824                                 | 2,469                         | 2,465                             | 1,543                           | 23,813                                  |
| W-4   | 28,607                | 4,965                                 | 4,525                         | 2,465                             | 1,471                           | 42,033                                  |
| W-3   | 23,772                | 4,247                                 | 3,318                         | 2,465                             | 1,502                           | 35,304                                  |
| W-2   | 20,747                | 3,015                                 | 3,009                         | 2,465                             | 2,612                           | 31,848                                  |
| E-9   | 24,751                | 4,875                                 | 4,780                         | 1,012                             | 1,093                           | 36,511                                  |
| E-8   | 20,531                | 4,078                                 | 4,344                         | 1,012                             | 1,385                           | 31,350                                  |
| E-7   | 17,216                | 3,476                                 | 4,007                         | 1,012                             | 1,461                           | 27,172                                  |
| E-6   | 14,061                | 2,969                                 | 3,654                         | 1,012                             | 1,164                           | 22,860                                  |
| E-5   | 11,299                | 2,302                                 | 3,406                         | 1,012                             | 849                             | 18,868                                  |
| E-4   | 9,535                 | 1,518                                 | 3,228                         | 1,012                             | 637                             | 15,930                                  |
| E-3   | 9,321                 | 993                                   | 3,049                         | 1,012                             | 90                              | 13,465                                  |
| E-2   | 7,717                 | 559                                   | 2,915                         | 1,012                             | 74                              | 12,277                                  |
| E-1   | 6,882                 | 411                                   | 2,744                         | 1,012                             | 60                              | 11,109                                  |

Midship- 5,760  
men

Acceleration Factors

Retirement 26.5%

Leave and Holidays 18.0%

Other Benefits 8.0% for officers; 23.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

<sup>1</sup> Effective March 1, 1983, the amount is \$63,799 for O-9 and O-10.

<sup>2</sup> Effective March 1, 1983, the amount should be increased \$6,300 to reflect change in basic pay.

<sup>3</sup> Effective March 1, 1983, the amount is \$62,878.

<sup>4</sup> Effective March 1, 1983, the amount is \$78,966.

**MILITARY PAY**  
**ANNUAL COMPOSITE STANDARD RATES**  
**October 1, 1982- September 30, 1983**

**MARINE CORPS**

| GRADE | BASIC<br>PAY          | ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|-------|-----------------------|------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| O-10  | \$57,499 <sup>1</sup> | \$-----                      | \$8,664                       | \$3,153                           | \$-----                         | \$69,316 <sup>2</sup>                   |
| O-9   | 57,499                | 15,143                       | 6,235                         | 3,153                             | -----                           | 72,030 <sup>2</sup>                     |
| O-8   | 57,499                | 35,143                       | 5,664                         | 3,153                             | -----                           | 71,459 <sup>4</sup>                     |
| O-7   | 52,960                | 5,143                        | 7,118                         | 3,153                             | 1,455                           | 69,829                                  |
| O-6   | 46,587                | 5,010                        | 5,219                         | 3,153                             | 1,459                           | 61,428                                  |
| O-5   | 37,371                | 5,804                        | 4,587                         | 3,153                             | 1,465                           | 52,380                                  |
| O-4   | 30,482                | 5,001                        | 4,151                         | 3,153                             | 1,458                           | 44,245                                  |
| O-3   | 25,585                | 4,257                        | 3,844                         | 3,153                             | 1,456                           | 38,295                                  |
| O-2   | 20,522                | 3,523                        | 3,448                         | 3,153                             | 1,455                           | 32,101                                  |
| O-1   | 14,764                | 1,760                        | 2,852                         | 3,153                             | 1,455                           | 23,984                                  |
| W-4   | 29,120                | 4,884                        | 3,963                         | 3,153                             | 1,509                           | 42,629                                  |
| W-3   | 22,248                | 3,471                        | 3,500                         | 3,153                             | 1,500                           | 33,872                                  |
| W-2   | 19,323                | 3,256                        | 3,304                         | 3,153                             | 1,475                           | 30,511                                  |
| W-1   | 16,636                | 2,521                        | 3,124                         | 3,153                             | 1,466                           | 26,900                                  |
| E-9   | 25,317                | 4,333                        | 5,055                         | 1,015                             | 196                             | 35,916                                  |
| E-8   | 20,310                | 3,844                        | 4,518                         | 1,015                             | 166                             | 29,853                                  |
| E-7   | 16,400                | 3,325                        | 4,005                         | 1,015                             | 206                             | 24,951                                  |
| E-6   | 13,456                | 2,784                        | 3,756                         | 1,015                             | 160                             | 21,171                                  |
| E-5   | 11,424                | 2,343                        | 3,764                         | 1,015                             | 147                             | 18,693                                  |
| E-4   | 9,667                 | 1,295                        | 3,617                         | 1,015                             | 138                             | 15,732                                  |
| E-3   | 8,593                 | 731                          | 2,656                         | 1,015                             | 31                              | 13,026                                  |
| E-2   | 7,716                 | 438                          | 2,576                         | 1,015                             | 16                              | 11,761                                  |
| E-1   | 6,882                 | 285                          | 2,524                         | 1,015                             | 15                              | 10,721                                  |

**Acceleration Factors**

Retirement 26.5%

Leave and Holidays 18.0%

Other Benefits 8.0% for officers; 23.0% for enlisted

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

<sup>1</sup> Effective March 1, 1983, the amount is \$63,799 for O-9 and O-10.

<sup>2</sup> Effective March 1, 1983, the amount should be increased \$6,300 to reflect change in basic pay.

<sup>3</sup> Effective March 1, 1983, the amount is \$62,878.

<sup>4</sup> Effective March 1, 1983, the amount is \$76,838.

**MILITARY PAY**  
**ANNUAL COMPOSITE STANDARD RATES**  
**OCTOBER 1, 1982 - JANUARY 31, 1983**

| <b>AIR FORCE</b> |              |                              |                               |                                   |                                 |                               |
|------------------|--------------|------------------------------|-------------------------------|-----------------------------------|---------------------------------|-------------------------------|
|                  |              | BASIC                        |                               |                                   | ANNUAL                          |                               |
| GRADE            | BASIC<br>PAY | ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | COMPOSITE<br>STANDARD<br>RATE |
| O-10             | \$57,499     | \$ 767                       | \$8,420                       | \$2,528                           | -----                           | \$69,214                      |
| O-9              | 57,499       | 1,028                        | 5,570                         | 2,528                             | 823                             | 67,448                        |
| O-8              | 57,499       | 1,886                        | 6,080                         | 2,528                             | 526                             | 68,519                        |
| O-7              | 54,670       | 2,610                        | 4,574                         | 2,528                             | 1,336                           | 65,898                        |
| O-6              | 44,914       | 5,053                        | 4,583                         | 2,528                             | 3,251                           | 60,329                        |
| O-5              | 36,613       | 5,762                        | 4,278                         | 2,528                             | 3,326                           | 52,507                        |
| O-4              | 30,677       | 5,256                        | 3,850                         | 2,528                             | 2,864                           | 45,175                        |
| O-3              | 25,269       | 4,205                        | 3,385                         | 2,528                             | 2,338                           | 37,725                        |
| O-2              | 19,909       | 3,007                        | 2,898                         | 2,528                             | 557                             | 28,899                        |
| O-1              | 14,304       | 2,759                        | 2,336                         | 2,528                             | 604                             | 22,531                        |
|                  |              |                              |                               |                                   |                                 |                               |
| E-9              | 25,318       | 3,506                        | 4,148                         | 1,355                             | 121                             | 34,448                        |
| E-8              | 20,992       | 3,094                        | 3,937                         | 1,355                             | 121                             | 29,499                        |
| E-7              | 17,574       | 2,792                        | 3,695                         | 1,355                             | 108                             | 25,524                        |
| E-6              | 14,788       | 2,666                        | 3,484                         | 1,355                             | 96                              | 22,389                        |
| E-5              | 12,045       | 1,983                        | 3,328                         | 1,355                             | 76                              | 18,717                        |
| E-4              | 9,936        | 1,687                        | 3,030                         | 1,355                             | 47                              | 16,055                        |
| E-3              | 9,304        | 1,154                        | 2,873                         | 1,355                             | 28                              | 13,713                        |
| E-2              | 7,715        | 624                          | 2,765                         | 1,355                             | 26                              | 12,476                        |
| E-1              | 6,883        | 412                          | 2,613                         | 1,355                             | 14                              | 11,277                        |
|                  |              |                              |                               |                                   |                                 |                               |
| CADETS           | 5,760        |                              | 1,864                         | 192                               |                                 | 7,816                         |

**Acceleration Factors**

Retirement 26.5%  
 Leave and Holidays 18.0%  
 Other Benefits 8.0% for officers; 23.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate  
 Daily Rate = 1/260 (.00385) of annual rate  
 Hourly Rate = 1/2080 (.00048) of annual rate

**MILITARY PAY**  
**ANNUAL COMPOSITE STANDARD RATES**  
**FEBRUARY 1, 1983 - SEPTEMBER 30, 1983**

**AIR FORCE**

| GRADE  | BASIC<br>PAY | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|--------|--------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| O-10   | \$63,800     | \$ 792                                | \$8,511                       | \$2,086                           | \$ 731                          | \$75,920                                |
| O-9    | 63,800       | 1,058                                 | 6,622                         | 2,086                             | 856                             | 74,422                                  |
| O-8    | 62,878       | 1,971                                 | 5,194                         | 2,086                             | 945                             | 73,074                                  |
| O-7    | 54,670       | 2,740                                 | 5,085                         | 2,086                             | 1,476                           | 66,056                                  |
| O-6    | 44,912       | 5,168                                 | 4,596                         | 2,086                             | 2,075                           | 58,837                                  |
| O-5    | 36,611       | 5,935                                 | 4,253                         | 2,086                             | 2,517                           | 51,402                                  |
| O-4    | 30,600       | 5,407                                 | 3,825                         | 2,086                             | 2,613                           | 44,531                                  |
| O-3    | 25,270       | 4,291                                 | 3,325                         | 2,086                             | 2,325                           | 37,297                                  |
| O-2    | 19,923       | 3,001                                 | 2,842                         | 2,086                             | 1,283                           | 29,135                                  |
| O-1    | 14,422       | 2,694                                 | 2,276                         | 2,086                             | 1,341                           | 22,719                                  |
| E-9    | 25,334       | 3,614                                 | 4,061                         | 1,188                             | 130                             | 34,327                                  |
| E-8    | 20,907       | 3,117                                 | 3,711                         | 1,188                             | 131                             | 29,054                                  |
| E-7    | 17,584       | 2,792                                 | 3,658                         | 1,188                             | 119                             | 25,341                                  |
| E-6    | 14,742       | 2,406                                 | 3,438                         | 1,188                             | 105                             | 21,879                                  |
| E-5    | 11,927       | 2,057                                 | 3,196                         | 1,188                             | 86                              | 28,454                                  |
| E-4    | 9,850        | 1,701                                 | 3,061                         | 1,188                             | 59                              | 15,859                                  |
| E-3    | 8,285        | 1,159                                 | 2,807                         | 1,188                             | 39                              | 13,478                                  |
| E-2    | 7,715        | 648                                   | 2,441                         | 1,188                             | 25                              | 12,017                                  |
| E-1    | 6,883        | 420                                   | 2,280                         | 1,188                             | 14                              | 10,785                                  |
| Cadets | 5,760        |                                       | 1,788                         | 187                               |                                 | 7,735                                   |

**Acceleration Factors**

Retirement 26.5%  
 Leave and Holidays 18.0%  
 Other Benefits 8.0% for officers; 23.0% for enlisted

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate  
 Daily Rate = 1/260 (.00385) of annual rate  
 Hourly Rate = 1/2080 (.00048) of annual rate

**MILITARY PAY**  
**ANNUAL COMPOSITE STANDARD RATES**  
**OCTOBER 1, 1983 - DECEMBER 31, 1983**

| <b>ARMY</b>        |              |                                       |                               |                                   |                                 |   |
|--------------------|--------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE              | BASIC<br>PAY | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10               | \$63,799     | \$-----                               | \$7,636                       | \$2,941                           | \$-----                         | \$74,376                                |
| O-9                | 63,799       | 3,065                                 | 5,348                         | 2,941                             | 1,152                           | 76,305                                  |
| O-8                | 62,878       | 3,069                                 | 4,876                         | 2,941                             | 1,214                           | 74,978                                  |
| O-7                | 54,670       | 3,097                                 | 4,877                         | 2,941                             | 2,800                           | 68,385                                  |
| O-6                | 45,609       | 5,338                                 | 4,878                         | 2,941                             | 4,151                           | 62,917                                  |
| O-5                | 37,062       | 5,480                                 | 4,555                         | 2,841                             | 2,785                           | 52,823                                  |
| O-4                | 30,585       | 4,779                                 | 3,911                         | 2,941                             | 2,309                           | 44,525                                  |
| O-3                | 24,883       | 3,662                                 | 3,458                         | 2,941                             | 785                             | 35,729                                  |
| O-2                | 19,227       | 2,551                                 | 3,036                         | 2,941                             | 354                             | 28,109                                  |
| O-1                | 14,632       | 1,801                                 | 2,572                         | 2,941                             | 354                             | 22,300                                  |
|                    |              |                                       |                               |                                   |                                 |   |
| W-4                | 27,775       | 4,196                                 | 4,182                         | 2,941                             | 1,378                           | 40,472                                  |
| W-3                | 22,711       | 3,366                                 | 3,475                         | 2,941                             | 1,378                           | 33,871                                  |
| W-2                | 18,853       | 2,680                                 | 3,054                         | 2,941                             | 1,377                           | 28,905                                  |
| W-1                | 15,949       | 2,301                                 | 2,658                         | 2,941                             | 1,378                           | 25,227                                  |
|                    |              |                                       |                               |                                   |                                 |   |
| E-9                | 25,162       | 3,811                                 | 4,544                         | 1,094                             | 88                              | 34,699                                  |
| E-8                | 20,402       | 3,402                                 | 4,137                         | 1,094                             | 94                              | 29,129                                  |
| E-7                | 16,774       | 2,873                                 | 3,759                         | 1,094                             | 97                              | 24,597                                  |
| E-6                | 13,864       | 2,407                                 | 3,486                         | 1,094                             | 102                             | 20,953                                  |
| E-5                | 11,494       | 1,909                                 | 3,318                         | 1,094                             | 112                             | 17,927                                  |
| E-4                | 9,678        | 1,376                                 | 3,364                         | 1,094                             | 92                              | 15,604                                  |
| E-3                | 8,262        | 952                                   | 3,187                         | 1,094                             | 87                              | 13,582                                  |
| E-2                | 7,715        | 728                                   | 2,776                         | 1,094                             | 81                              | 12,394                                  |
| E-1                | 6,883        | 543                                   | 2,972                         | 1,094                             | 74                              | 11,566                                  |
|                    |              |                                       |                               |                                   |                                 |   |
| Cadets             | 5,760        |                                       | 1,858                         | 11                                |                                 | 7,729                                   |
|                    |              |                                       |                               |                                   |                                 |   |
| Retirement         |              | 33.0%                                 |                               |                                   |                                 |   |
| Leave and Holidays |              | 18.0%                                 |                               |                                   |                                 |   |
| Other Benefits     |              | 8.0% for officers; 23.0% for enlisted |                               |                                   |                                 |   |

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate



**MILITARY PAY**  
**ANNUAL COMPOSITE STANDARD RATES**  
**EFFECTIVE JANUARY 1, 1984**

| <b>ARMY</b> |              |                                       |                               |                                   |                                 |   |
|-------------|--------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE       | BASIC<br>PAY | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10        | \$65,473     | \$-----                               | \$7,636                       | \$2,941                           | \$-----                         | \$76,050                                |
| O-9         | 65,473       | 3,065                                 | 5,348                         | 2,941                             | 1,152                           | 77,979                                  |
| O-8         | 64,765       | 3,069                                 | 4,876                         | 2,941                             | 1,214                           | 76,865                                  |
| O-7         | 56,309       | 3,097                                 | 4,877                         | 2,941                             | 2,800                           | 70,024                                  |
| O-6         | 46,977       | 5,338                                 | 4,878                         | 2,941                             | 4,151                           | 64,285                                  |
| O-5         | 38,174       | 5,480                                 | 4,555                         | 2,841                             | 2,785                           | 53,935                                  |
| O-4         | 31,503       | 4,779                                 | 3,911                         | 2,941                             | 2,309                           | 45,443                                  |
| O-3         | 25,629       | 3,662                                 | 3,458                         | 2,941                             | 785                             | 36,475                                  |
| O-2         | 20,106       | 2,551                                 | 3,036                         | 2,941                             | 354                             | 28,988                                  |
| O-1         | 15,071       | 1,801                                 | 2,572                         | 2,941                             | 354                             | 22,739                                  |
|             |              |                                       |                               |                                   |                                 |   |
| W-4         | 28,698       | 4,196                                 | 4,182                         | 2,941                             | 1,378                           | 41,305                                  |
| W-3         | 23,392       | 3,366                                 | 3,475                         | 2,941                             | 1,378                           | 34,552                                  |
| W-2         | 19,419       | 2,680                                 | 3,054                         | 2,941                             | 1,377                           | 29,471                                  |
| W-1         | 16,427       | 2,301                                 | 2,658                         | 2,941                             | 1,378                           | 25,705                                  |
|             |              |                                       |                               |                                   |                                 |   |
| E-9         | 25,917       | 3,811                                 | 4,544                         | 1,094                             | 88                              | 35,454                                  |
| E-8         | 21,014       | 3,402                                 | 4,137                         | 1,094                             | 94                              | 29,741                                  |
| E-7         | 17,277       | 2,873                                 | 3,759                         | 1,094                             | 97                              | 25,100                                  |
| E-6         | 14,280       | 2,407                                 | 3,486                         | 1,094                             | 102                             | 21,369                                  |
| E-5         | 11,839       | 1,909                                 | 3,318                         | 1,094                             | 112                             | 18,272                                  |
| E-4         | 9,968        | 1,376                                 | 3,364                         | 1,094                             | 92                              | 15,894                                  |
| E-3         | 8,510        | 952                                   | 3,187                         | 1,094                             | 87                              | 13,830                                  |
| E-2         | 7,946        | 728                                   | 2,776                         | 1,094                             | 81                              | 12,625                                  |
| E-1         | 6,927        | 543                                   | 2,972                         | 1,094                             | 74                              | 11,610                                  |
|             |              |                                       |                               |                                   |                                 |   |
| Cadets      | 5,760        |                                       | 1,858                         | 111                               |                                 | 7,729                                   |

**Acceleration Factors**

|                    |                                       |
|--------------------|---------------------------------------|
| Retirement         | 33.0%                                 |
| Leave and Holidays | 18.0%                                 |
| Other Benefits     | 8.0% for officers; 23.0% for enlisted |

**Note:**

|              |                                  |
|--------------|----------------------------------|
| Monthly Rate | = 1/12 (.8333) of annual rate    |
| Daily Rate   | = 1/260 (.00385) of annual rate  |
| Hourly Rate  | = 1/2080 (.00048) of annual rate |

**MILITARY PAY**  
**ANNUAL COMPOSITE STANDARD RATES**  
**OCTOBER 1, 1983 - DECEMBER 31, 1983**

**NAVY**

| GRADE           | BASIC<br>PAY | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|-----------------|--------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| O-10            | \$63,799     | \$-----                               | \$7,104                       | \$2,197                           | \$2,430                         | \$75,530                                |
| O-9             | 63,799       | 3,031                                 | 5,979                         | 2,197                             | 2,239                           | 77,245                                  |
| O-8             | 62,878       | 5,345                                 | 7,902                         | 2,197                             | 1,876                           | 80,198                                  |
| O-7             | 54,670       | 4,832                                 | 4,492                         | 2,197                             | 1,676                           | 67,867                                  |
| O-6             | 46,432       | 6,577                                 | 5,330                         | 2,197                             | 4,393                           | 64,929                                  |
| O-5             | 36,694       | 6,855                                 | 4,593                         | 2,197                             | 4,776                           | 55,115                                  |
| O-4             | 30,034       | 5,984                                 | 4,095                         | 2,197                             | 4,272                           | 46,582                                  |
| O-3             | 24,189       | 4,815                                 | 3,897                         | 2,197                             | 3,677                           | 38,775                                  |
| O-2             | 19,290       | 3,732                                 | 3,102                         | 2,197                             | 1,832                           | 30,153                                  |
| O-1             | 14,763       | 3,244                                 | 2,617                         | 2,197                             | 1,501                           | 24,322                                  |
|                 |              |                                       |                               |                                   |                                 |   |
| W-4             | 29,162       | 5,283                                 | 4,595                         | 2,197                             | 2,145                           | 45,382                                  |
| W-3             | 24,270       | 4,153                                 | 3,457                         | 2,197                             | 1,758                           | 35,835                                  |
| W-2             | 20,572       | 3,644                                 | 3,099                         | 2,197                             | 2,343                           | 31,855                                  |
|                 |              |                                       |                               |                                   |                                 |   |
| E-9             | 24,806       | 5,122                                 | 4,741                         | 945                               | 1,196                           | 36,810                                  |
| E-8             | 20,612       | 4,444                                 | 4,321                         | 945                               | 1,369                           | 31,691                                  |
| E-7             | 17,243       | 3,845                                 | 4,099                         | 945                               | 1,432                           | 27,564                                  |
| E-6             | 14,126       | 3,223                                 | 3,700                         | 945                               | 1,181                           | 23,175                                  |
| E-5             | 11,360       | 2,416                                 | 3,454                         | 945                               | 932                             | 19,107                                  |
| E-4             | 9,666        | 1,615                                 | 3,271                         | 945                               | 729                             | 16,226                                  |
| E-3             | 8,427        | 1,121                                 | 3,089                         | 945                               | 91                              | 13,673                                  |
| E-2             | 7,715        | 685                                   | 2,911                         | 945                               | 81                              | 12,337                                  |
| E-1             | 6,883        | 494                                   | 2,744                         | 945                               | 59                              | 11,125                                  |
|                 |              |                                       |                               |                                   |                                 |   |
| Mid-<br>shipmen | 5,760        |                                       | 1,905                         | 88                                | 192                             | 7,945                                   |

**Acceleration Factors**

Retirement            33.0%  
 Leave and Holidays   18.0%  
 Other Benefits        8.0% for officers; 23.0% for enlisted

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate  
 Daily Rate    = 1/260 (.00385) of annual rate  
 Hourly Rate   = 1/2080 (.00048) of annual rate

**MILITARY PAY  
ANNUAL COMPOSITE STANDARD RATES  
EFFECTIVE JANUARY 1, 1984**

| NAVY            |              |                                       |                               |                                   |                                 |   |
|-----------------|--------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE           | BASIC<br>PAY | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10            | \$65,450     | \$-----                               | \$6,962                       | \$2,184                           | \$3,187                         | \$77,783                                |
| O-9             | 65,450       | 2,839                                 | 6,780                         | 2,184                             | 2,952                           | 80,205                                  |
| O-8             | 64,764       | 5,265                                 | 8,731                         | 2,184                             | 2,526                           | 83,470                                  |
| O-7             | 56,310       | 5,000                                 | 4,556                         | 2,184                             | 2,396                           | 70,446                                  |
| O-6             | 47,820       | 6,570                                 | 5,434                         | 2,184                             | 4,686                           | 66,694                                  |
| O-5             | 37,796       | 6,830                                 | 4,591                         | 2,184                             | 4,143                           | 55,544                                  |
| O-4             | 30,938       | 5,982                                 | 4,152                         | 2,184                             | 3,784                           | 47,040                                  |
| O-3             | 25,568       | 4,855                                 | 3,889                         | 2,184                             | 3,498                           | 39,994                                  |
| O-2             | 19,872       | 3,748                                 | 3,140                         | 2,184                             | 1,939                           | 30,883                                  |
| O-1             | 15,199       | 3,231                                 | 2,672                         | 2,184                             | 1,854                           | 25,140                                  |
| W-4             | 30,071       | 5,513                                 | 4,549                         | 2,184                             | 2,794                           | 45,111                                  |
| W-3             | 24,994       | 4,244                                 | 3,618                         | 2,184                             | 2,516                           | 37,556                                  |
| W-2             | 21,162       | 3,636                                 | 3,095                         | 2,184                             | 3,097                           | 33,174                                  |
| E-9             | 25,525       | 5,083                                 | 4,850                         | 865                               | 1,234                           | 37,557                                  |
| E-8             | 21,203       | 4,412                                 | 4,415                         | 865                               | 1,413                           | 32,308                                  |
| E-7             | 17,663       | 3,827                                 | 4,110                         | 865                               | 1,483                           | 27,948                                  |
| E-6             | 14,462       | 3,222                                 | 3,624                         | 865                               | 1,195                           | 23,368                                  |
| E-5             | 11,631       | 2,400                                 | 3,356                         | 865                               | 984                             | 19,236                                  |
| E-4             | 9,902        | 1,582                                 | 3,158                         | 865                               | 726                             | 16,233                                  |
| E-3             | 8,632        | 1,090                                 | 2,983                         | 865                               | 87                              | 13,657                                  |
| E-2             | 7,940        | 667                                   | 2,806                         | 865                               | 81                              | 12,369                                  |
| E-1             | 7,071        | 429                                   | 2,637                         | 865                               | 62                              | 11,064                                  |
| Mid-<br>shipmen | 5,760        |                                       | 1,829                         | 90                                | 193                             | 7,872                                   |

**Acceleration Factors**

Retirement 33.0%  
 Leave and Holidays 18.0%  
 Other Benefits 8.0% for officers; 23.0% for enlisted

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate  
 Daily Rate = 1/260 (.00385) of annual rate  
 Hourly Rate = 1/2080 (.00048) of annual rate

**MILITARY PAY**  
**ANNUAL COMPOSITE STANDARD RATES**  
**OCTOBER 1, 1983 - DECEMBER 31, 1983**

| <b>MARINE CORPS</b> |              |                                       |                               |                                   |                                 |   |
|---------------------|--------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE               | BASIC<br>PAY | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10                | \$63,800     | \$-----                               | \$8,485                       | \$2,666                           | \$-----                         | \$74,951                                |
| O-9                 | 63,800       | 4,809                                 | 5,885                         | 2,666                             | -----                           | 77,160                                  |
| O-8                 | 62,878       | 4,809                                 | 5,385                         | 2,666                             | -----                           | 75,738                                  |
| O-7                 | 54,670       | 4,809                                 | 5,385                         | 2,666                             | 1,324                           | 68,854                                  |
| O-6                 | 46,526       | 5,343                                 | 5,376                         | 2,666                             | 1,334                           | 61,245                                  |
| O-5                 | 37,399       | 6,123                                 | 4,819                         | 2,666                             | 1,327                           | 52,334                                  |
| O-4                 | 30,697       | 5,139                                 | 4,056                         | 2,666                             | 1,328                           | 43,886                                  |
| O-3                 | 25,899       | 4,690                                 | 3,695                         | 2,666                             | 1,326                           | 38,276                                  |
| O-2                 | 20,569       | 3,719                                 | 3,371                         | 2,666                             | 1,324                           | 31,649                                  |
| O-1                 | 14,635       | 1,569                                 | 2,737                         | 2,666                             | 1,324                           | 22,931                                  |
| W-4                 | 29,316       | 4,603                                 | 3,893                         | 2,666                             | 1,385                           | 41,863                                  |
| W-3                 | 22,094       | 4,023                                 | 3,393                         | 2,666                             | 1,357                           | 33,533                                  |
| W-2                 | 19,127       | 3,439                                 | 3,187                         | 2,666                             | 1,351                           | 29,770                                  |
| W-1                 | 16,899       | 1,979                                 | 3,033                         | 2,666                             | 1,341                           | 25,918                                  |
| E-9                 | 25,370       | 5,040                                 | 5,062                         | 874                               | 135                             | 36,481                                  |
| E-8                 | 20,260       | 4,534                                 | 4,507                         | 874                               | 157                             | 30,332                                  |
| E-7                 | 16,516       | 3,829                                 | 4,067                         | 874                               | 117                             | 25,463                                  |
| E-6                 | 13,559       | 3,113                                 | 3,902                         | 874                               | 144                             | 21,592                                  |
| E-5                 | 11,265       | 2,223                                 | 3,897                         | 874                               | 131                             | 18,390                                  |
| E-4                 | 9,630        | 1,163                                 | 3,671                         | 874                               | 138                             | 15,476                                  |
| E-3                 | 8,411        | 806                                   | 2,707                         | 874                               | 27                              | 12,825                                  |
| E-2                 | 7,715        | 461                                   | 2,642                         | 874                               | 20                              | 10,577                                  |
| E-1                 | 6,883        | 218                                   | 2,582                         | 874                               | 20                              | 10,577                                  |

**Acceleration Factors**

|                    |                                       |
|--------------------|---------------------------------------|
| Retirement         | 33.0%                                 |
| Leave and Holidays | 18.0%                                 |
| Other Benefits     | 8.0% for officers; 23.0% for enlisted |

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate  
Daily Rate = 1/260 (.00385) of annual rate  
Hourly Rate = 1/2080 (.00048) of annual rate

**MILITARY PAY  
ANNUAL COMPOSITE STANDARD RATES  
EFFECTIVE JANUARY 1, 1984**

| <b>MARINE CORPS</b> |              |                                       |                               |                                   |                                 |   |
|---------------------|--------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE               | BASIC<br>PAY | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10                | \$65,714     | \$-----                               | \$8,520                       | \$2,668                           | \$-----                         | \$76,902                                |
| O-9                 | 65,714       | 4,810                                 | 5,920                         | 2,668                             | -----                           | 79,112                                  |
| O-8                 | 64,764       | 4,810                                 | 5,420                         | 2,668                             | -----                           | 77,662                                  |
| O-7                 | 56,390       | 4,810                                 | 5,420                         | 2,668                             | 1,324                           | 70,612                                  |
| O-6                 | 47,922       | 5,346                                 | 5,412                         | 2,668                             | 1,334                           | 62,682                                  |
| O-5                 | 38,521       | 6,147                                 | 4,855                         | 2,668                             | 1,327                           | 53,518                                  |
| O-4                 | 31,618       | 5,152                                 | 4,156                         | 2,668                             | 1,328                           | 44,922                                  |
| O-3                 | 26,676       | 4,683                                 | 3,784                         | 2,668                             | 1,326                           | 39,137                                  |
| O-2                 | 21,186       | 3,759                                 | 3,449                         | 2,668                             | 1,324                           | 32,386                                  |
| O-1                 | 15,074       | 1,577                                 | 2,802                         | 2,668                             | 1,324                           | 23,445                                  |
|                     |              |                                       |                               |                                   |                                 |   |
| W-4                 | 30,195       | 4,638                                 | 3,990                         | 2,668                             | 1,385                           | 42,876                                  |
| W-3                 | 22,757       | 4,005                                 | 3,474                         | 2,668                             | 1,357                           | 34,261                                  |
| W-2                 | 19,701       | 3,468                                 | 3,262                         | 2,668                             | 1,351                           | 30,450                                  |
| W-1                 | 17,406       | 1,977                                 | 3,104                         | 2,668                             | 1,341                           | 26,496                                  |
|                     |              |                                       |                               |                                   |                                 |   |
| E-9                 | 26,131       | 5,175                                 | 5,140                         | 874                               | 135                             | 37,455                                  |
| E-8                 | 20,868       | 4,734                                 | 4,575                         | 874                               | 157                             | 31,208                                  |
| E-7                 | 17,001       | 3,934                                 | 4,128                         | 874                               | 177                             | 26,124                                  |
| E-6                 | 13,965       | 2,920                                 | 3,957                         | 874                               | 145                             | 21,861                                  |
| E-5                 | 11,620       | 2,233                                 | 3,947                         | 874                               | 131                             | 18,805                                  |
| E-4                 | 9,919        | 1,092                                 | 3,717                         | 874                               | 138                             | 15,740                                  |
| E-3                 | 8,663        | 811                                   | 2,751                         | 874                               | 27                              | 13,126                                  |
| E-2                 | 7,946        | 428                                   | 2,684                         | 874                               | 20                              | 11,952                                  |
| E-1                 | 7,067        | 203                                   | 2,621                         | 874                               | 20                              | 10,785                                  |

**Acceleration Factors**

|                    |                                       |
|--------------------|---------------------------------------|
| Retirement         | 33.0%                                 |
| Leave and Holidays | 18.0%                                 |
| Other Benefits     | 8.0% for officers; 23.0% for enlisted |

**Note:**

|              |                                  |
|--------------|----------------------------------|
| Monthly Rate | = 1/12 (.8333) of annual rate    |
| Daily Rate   | = 1/260 (.00385) of annual rate  |
| Hourly Rate  | = 1/2080 (.00048) of annual rate |

**MILITARY PAY**  
**ANNUAL COMPOSITE STANDARD RATES**  
**OCTOBER 1, 1983 - DECEMBER 31, 1983**

**AIR FORCE**

| GRADE | BASIC<br>PAY | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|-------|--------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
| O-10  | \$63,800     | \$ 667                                | \$5,667                       | \$2,187                           | \$2,417                         | \$74,738                                |
| O-9   | 63,800       | 1,000                                 | 5,583                         | 2,187                             | 944                             | 73,514                                  |
| O-8   | 62,875       | 2,192                                 | 5,625                         | 2,187                             | 583                             | 73,462                                  |
| O-7   | 54,671       | 2,571                                 | 5,635                         | 2,187                             | 1,235                           | 66,299                                  |
| O-6   | 44,902       | 5,398                                 | 5,066                         | 2,187                             | 3,112                           | 60,665                                  |
| O-5   | 36,612       | 6,112                                 | 4,596                         | 2,187                             | 2,675                           | 52,182                                  |
| O-4   | 30,676       | 5,567                                 | 3,992                         | 2,187                             | 3,055                           | 45,477                                  |
| O-3   | 25,325       | 4,351                                 | 3,504                         | 2,187                             | 2,393                           | 37,760                                  |
| O-2   | 19,950       | 3,225                                 | 3,002                         | 2,187                             | 700                             | 29,064                                  |
| O-1   | 14,568       | 2,871                                 | 2,557                         | 2,187                             | 545                             | 22,728                                  |
| E-9   | 25,391       | 3,667                                 | 4,499                         | 1,249                             | 142                             | 34,948                                  |
| E-8   | 21,307       | 3,207                                 | 4,151                         | 1,249                             | 139                             | 29,783                                  |
| E-7   | 17,639       | 2,920                                 | 3,887                         | 1,249                             | 120                             | 25,815                                  |
| E-6   | 14,843       | 2,507                                 | 3,639                         | 1,249                             | 103                             | 22,341                                  |
| E-5   | 12,073       | 2,171                                 | 3,385                         | 1,249                             | 82                              | 18,960                                  |
| E-4   | 9,968        | 1,764                                 | 3,250                         | 1,249                             | 45                              | 16,276                                  |
| E-3   | 8,351        | 1,344                                 | 2,979                         | 1,249                             | 18                              | 13,941                                  |
| E-2   | 7,715        | 744                                   | 2,819                         | 1,249                             | 11                              | 12,538                                  |
| E-1   | 6,883        | 512                                   | 2,689                         | 1,249                             | 3                               | 11,336                                  |
| Cadet | 5,760        |                                       | 1,826                         | 142                               |                                 | 7,728                                   |

**Acceleration Factors**

Retirement 33.0%  
 Leave and Holidays 18.0%  
 Other Benefits 8.0% for officers; 23.0% for enlisted

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate  
 Daily Rate = 1/260 (.00385) of annual rate  
 Hourly Rate = 1/2080 (.00048) of annual rate

**MILITARY PAY**  
**ANNUAL COMPOSITE STANDARD RATES**  
**EFFECTIVE JANUARY 1, 1984**

| GRADE | AIR FORCE    |                                       |                               |                                   |                                 | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|-------|--------------|---------------------------------------|-------------------------------|-----------------------------------|---------------------------------|---|
|       | BASIC<br>PAY | BASIC<br>ALLOWANCE<br>FOR<br>QUARTERS | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY |   |
| O-10  | \$66,000     | \$ 687                                | \$5,833                       | \$2,187                           | \$2,417                         | \$77,124                                |
| O-9   | 66,000       | 1,026                                 | 5,750                         | 2,187                             | 944                             | 75,907                                  |
| O-8   | 64,758       | 2,247                                 | 5,791                         | 2,187                             | 583                             | 75,566                                  |
| O-7   | 56,306       | 2,636                                 | 6,035                         | 2,187                             | 1,235                           | 68,399                                  |
| O-6   | 46,249       | 5,528                                 | 5,207                         | 2,187                             | 3,112                           | 62,283                                  |
| O-5   | 37,710       | 6,258                                 | 4,722                         | 2,187                             | 2,675                           | 53,552                                  |
| O-4   | 31,596       | 5,697                                 | 4,098                         | 2,187                             | 3,055                           | 46,633                                  |
| O-3   | 26,085       | 4,460                                 | 3,598                         | 2,187                             | 2,393                           | 38,723                                  |
| O-2   | 20,549       | 3,305                                 | 3,084                         | 2,187                             | 700                             | 29,825                                  |
| O-1   | 15,005       | 2,938                                 | 2,625                         | 2,187                             | 545                             | 23,300                                  |
| E-9   | 26,407       | 3,689                                 | 4,640                         | 1,249                             | 142                             | 36,127                                  |
| E-8   | 21,878       | 3,227                                 | 4,278                         | 1,249                             | 139                             | 30,771                                  |
| E-7   | 18,345       | 2,937                                 | 4,003                         | 1,249                             | 120                             | 26,654                                  |
| E-6   | 15,437       | 2,522                                 | 3,744                         | 1,249                             | 103                             | 23,055                                  |
| E-5   | 12,556       | 2,185                                 | 3,482                         | 1,249                             | 82                              | 19,554                                  |
| E-4   | 10,367       | 1,776                                 | 3,342                         | 1,249                             | 45                              | 16,779                                  |
| E-3   | 8,685        | 1,352                                 | 3,063                         | 1,249                             | 18                              | 14,367                                  |
| E-2   | 8,024        | 748                                   | 2,902                         | 1,249                             | 11                              | 12,934                                  |
| E-1   | 7,158        | 516                                   | 2,770                         | 1,249                             | 3                               | 11,696                                  |
| Cadet | 5,760        |                                       | 1,826                         | 142                               |                                 | 7,728                                   |

**Acceleration Factors**

|                    |                                       |
|--------------------|---------------------------------------|
| Retirement         | 33.0%                                 |
| Leave and Holidays | 18.0%                                 |
| Other Benefits     | 8.0% for officers; 23.0% for enlisted |

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate  
Daily Rate = 1/260 (.00385) of annual rate  
Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1985  
ANNUAL COMPOSITE STANDARD RATES**

| <b>ARMY</b> |              |                           |   |                               |                                   |                                 |   |
|-------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE       | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10        | \$66,398     | \$33,664                  | \$-----                                   | \$7,818                       | \$2,490                           | \$-----                         | \$110,370                               |
| O-9         | 66,398       | 33,664                    | 2,630                                     | 5,565                         | 2,490                             | 1,196                           | 111,943                                 |
| O-8         | 66,398       | 33,664                    | 2,630                                     | 5,091                         | 2,490                             | 1,315                           | 111,588                                 |
| O-7         | 58,561       | 29,690                    | 2,711                                     | 5,057                         | 2,490                             | 3,005                           | 101,514                                 |
| O-6         | 49,008       | 24,847                    | 5,367                                     | 5,652                         | 2,490                             | 4,425                           | 91,789                                  |
| O-5         | 39,908       | 20,233                    | 5,591                                     | 5,079                         | 2,490                             | 2,927                           | 76,228                                  |
| O-4         | 32,974       | 16,718                    | 4,891                                     | 4,396                         | 2,490                             | 2,398                           | 63,867                                  |
| O-3         | 26,643       | 13,508                    | 3,790                                     | 3,749                         | 2,490                             | 814                             | 50,994                                  |
| O-2         | 20,491       | 10,389                    | 2,630                                     | 3,428                         | 2,490                             | 373                             | 39,801                                  |
| O-1         | 15,587       | 7,902                     | 2,085                                     | 2,096                         | 2,490                             | 373                             | 31,533                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| W-4         | 29,381       | 14,896                    | 4,269                                     | 4,615                         | 2,490                             | 1,494                           | 57,145                                  |
| W-3         | 24,614       | 12,479                    | 3,401                                     | 3,907                         | 2,490                             | 1,494                           | 48,385                                  |
| W-2         | 20,674       | 10,482                    | 2,784                                     | 3,457                         | 2,490                             | 1,494                           | 41,381                                  |
| W-1         | 16,059       | 8,142                     | 2,380                                     | 3,063                         | 2,490                             | 1,494                           | 33,628                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| E-9         | 27,256       | 13,819                    | 4,039                                     | 4,806                         | 958                               | 98                              | 50,976                                  |
| E-8         | 21,970       | 11,139                    | 3,707                                     | 4,385                         | 958                               | 104                             | 42,263                                  |
| E-7         | 18,074       | 9,164                     | 3,151                                     | 4,015                         | 958                               | 105                             | 35,467                                  |
| E-6         | 14,932       | 7,571                     | 2,642                                     | 3,753                         | 958                               | 113                             | 29,969                                  |
| E-5         | 12,311       | 6,242                     | 2,059                                     | 3,602                         | 958                               | 121                             | 25,293                                  |
| E-4         | 10,232       | 5,188                     | 1,495                                     | 3,539                         | 958                               | 100                             | 21,512                                  |
| E-3         | 8,834        | 4,479                     | 1,192                                     | 3,329                         | 958                               | 99                              | 18,891                                  |
| E-2         | 8,265        | 4,190                     | 667                                       | 2,998                         | 958                               | 89                              | 17,167                                  |
| E-1         | 7,149        | 3,625                     | 529                                       | 3,589                         | 958                               | 83                              | 15,933                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| Cadet       | 5,933        |                           |   | 1,911                         | 105                               |                                 | 7,949                                   |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate



**FISCAL YEAR 1985  
ANNUAL COMPOSITE STANDARD RATES**

| GRADE           | NAVY         |                           |   |                               |                                   |                                 | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|-----------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
|                 | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY |   |
| O-10            | \$68,406     | \$34,887                  | \$-----                                   | \$9,248                       | \$2,113                           | \$2,436                         | \$117,090                               |
| O-9             | 68,406       | 34,887                    | 2,152                                     | 7,597                         | 2,133                             | 2,118                           | 117,273                                 |
| O-8             | 67,364       | 34,356                    | 6,062                                     | 8,921                         | 2,113                             | 1,640                           | 120,456                                 |
| O-7             | 58,552       | 29,861                    | 5,138                                     | 4,917                         | 2,113                             | 1,608                           | 102,189                                 |
| O-6             | 49,592       | 25,292                    | 6,837                                     | 5,615                         | 2,113                             | 4,466                           | 93,915                                  |
| O-5             | 39,010       | 19,895                    | 7,202                                     | 5,014                         | 2,113                             | 3,909                           | 77,143                                  |
| O-4             | 31,921       | 16,280                    | 6,291                                     | 4,337                         | 2,113                             | 3,544                           | 64,486                                  |
| O-3             | 26,377       | 13,452                    | 5,021                                     | 4,087                         | 2,113                             | 3,382                           | 54,432                                  |
| O-2             | 20,730       | 10,572                    | 3,909                                     | 3,303                         | 2,113                             | 1,830                           | 42,457                                  |
| O-1             | 15,686       | 8,000                     | 3,439                                     | 2,867                         | 2,113                             | 1,713                           | 33,818                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| W-4             | 31,992       | 16,316                    | 6,025                                     | 4,558                         | 2,113                             | 1,952                           | 62,956                                  |
| W-3             | 25,492       | 13,001                    | 3,806                                     | 3,810                         | 2,113                             | 2,758                           | 50,980                                  |
| W-2             | 22,614       | 11,533                    | 4,200                                     | 3,383                         | 2,113                             | 3,162                           | 47,005                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| E-9             | 26,606       | 13,568                    | 5,394                                     | 5,025                         | 786                               | 1,167                           | 52,546                                  |
| E-8             | 22,123       | 11,282                    | 4,755                                     | 4,618                         | 786                               | 1,394                           | 44,958                                  |
| E-7             | 18,352       | 9,358                     | 4,068                                     | 4,360                         | 786                               | 1,498                           | 38,422                                  |
| E-6             | 15,044       | 7,671                     | 3,470                                     | 3,858                         | 786                               | 1,184                           | 32,013                                  |
| E-5             | 12,170       | 6,202                     | 2,567                                     | 3,604                         | 786                               | 1,001                           | 26,330                                  |
| E-4             | 10,329       | 5,257                     | 1,722                                     | 3,415                         | 786                               | 776                             | 22,285                                  |
| E-3             | 8,935        | 4,538                     | 1,205                                     | 3,230                         | 786                               | 84                              | 18,778                                  |
| E-2             | 8,259        | 4,139                     | 696                                       | 3,092                         | 786                               | 89                              | 17,061                                  |
| E-1             | 7,359        | 3,676                     | 341                                       | 2,933                         | 786                               | 60                              | 15,155                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| Midship-<br>men | 5,933        |                           |   | 1,914                         | 881                               | 90                              | 8,125                                   |

## Acceleration Factors

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1985  
ANNUAL COMPOSITE STANDARD RATES**

| <b>MARINE CORPS</b> |              |                           |   |                               |                                   |                                 |   |
|---------------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE               | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10                | \$65,999     | \$33,660                  | \$-----                                   | \$8,835                       | \$2,250                           | \$-----                         | 110,714                                 |
| O-9                 | 65,999       | 33,660                    | 5,444                                     | 5,950                         | 2,250                             | -----                           | 113,303                                 |
| O-8                 | 65,999       | 33,660                    | 5,444                                     | 5,388                         | 2,250                             | -----                           | 112,741                                 |
| O-7                 | 58,560       | 29,866                    | 5,444                                     | 6,527                         | 2,250                             | 1,149                           | 103,796                                 |
| O-6                 | 49,842       | 25,419                    | 7,109                                     | 6,736                         | 2,250                             | 1,157                           | 92,513                                  |
| O-5                 | 40,021       | 20,410                    | 6,309                                     | 6,269                         | 2,250                             | 1,151                           | 76,410                                  |
| O-4                 | 32,971       | 16,815                    | 5,349                                     | 5,507                         | 2,250                             | 1,155                           | 64,047                                  |
| O-3                 | 27,568       | 14,060                    | 4,672                                     | 5,163                         | 2,250                             | 1,151                           | 54,862                                  |
| O-2                 | 21,989       | 11,214                    | 3,584                                     | 4,861                         | 2,250                             | 1,149                           | 45,047                                  |
| O-1                 | 15,679       | 7,996                     | 1,784                                     | 4,124                         | 2,250                             | 1,149                           | 32,982                                  |
|                     |              |                           |   |                               |                                   |                                 |   |
| W-4                 | 31,168       | 15,896                    | 4,417                                     | 5,404                         | 2,250                             | 1,210                           | 60,345                                  |
| W-3                 | 23,921       | 12,198                    | 4,399                                     | 4,860                         | 2,250                             | 1,176                           | 48,804                                  |
| W-2                 | 20,557       | 10,483                    | 3,905                                     | 4,643                         | 2,250                             | 1,196                           | 43,033                                  |
| W-1                 | 18,099       | 9,230                     | 1,215                                     | 4,457                         | 2,250                             | 1,182                           | 36,433                                  |
|                     |              |                           |   |                               |                                   |                                 |   |
| E-9                 | 27,078       | 13,712                    | 5,478                                     | 5,633                         | 756                               | 128                             | 52,785                                  |
| E-8                 | 21,659       | 10,949                    | 4,847                                     | 5,029                         | 756                               | 153                             | 43,393                                  |
| E-7                 | 17,756       | 8,959                     | 3,982                                     | 4,566                         | 756                               | 172                             | 35,961                                  |
| E-6                 | 14,564       | 7,330                     | 3,230                                     | 4,336                         | 756                               | 141                             | 30,357                                  |
| E-5                 | 12,181       | 6,115                     | 2,526                                     | 4,261                         | 756                               | 127                             | 25,966                                  |
| E-4                 | 10,401       | 5,207                     | 1,337                                     | 4,113                         | 756                               | 134                             | 21,945                                  |
| E-3                 | 9,012        | 4,499                     | 915                                       | 2,862                         | 756                               | 21                              | 18,065                                  |
| E-2                 | 8,265        | 4,118                     | 442                                       | 2,785                         | 756                               | 17                              | 16,383                                  |
| E-1                 | 7,298        | 3,625                     | 227                                       | 2,736                         | 756                               | 16                              | 14,658                                  |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1985  
ANNUAL COMPOSITE STANDARD RATES**

| <b>AIR FORCE</b> |              |                           |   |                               |                                   |                                 |   |
|------------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE            | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10             | \$66,400     | \$33,665                  | \$-----                                   | \$5,615                       | \$2,013                           | \$2,308                         | \$110,001                               |
| O-9              | 66,400       | 33,665                    | 361                                       | 5,964                         | 2,013                             | 722                             | 108,855                                 |
| O-8              | 65,394       | 33,155                    | 2,076                                     | 6,246                         | 2,013                             | 195                             | 109,079                                 |
| O-7              | 56,854       | 28,825                    | 2,503                                     | 5,643                         | 2,013                             | 1,544                           | 97,382                                  |
| O-6              | 46,417       | 23,533                    | 5,425                                     | 5,281                         | 2,013                             | 2,605                           | 85,274                                  |
| O-5              | 38,059       | 19,296                    | 6,190                                     | 4,664                         | 2,013                             | 2,277                           | 72,499                                  |
| O-4              | 31,792       | 16,118                    | 5,548                                     | 4,130                         | 2,013                             | 4,548                           | 64,149                                  |
| O-3              | 26,255       | 13,31                     | 14,315                                    | 3,597                         | 2,013                             | 1,685                           | 51,176                                  |
| O-2              | 20,442       | 10,364                    | 3,188                                     | 3,008                         | 2,013                             | 955                             | 39,970                                  |
| O-1              | 15,077       | 7,644                     | 2,863                                     | 2,382                         | 2,013                             | 540                             | 30,519                                  |
|                  |              |                           |   |                               |                                   |                                 |   |
| E-9              | 26,183       | 13,275                    | 3,882                                     | 4,589                         | 1,217                             | 144                             | 49,290                                  |
| E-8              | 21,715       | 11,010                    | 3,431                                     | 4,232                         | 1,217                             | 140                             | 41,745                                  |
| E-7              | 18,285       | 9,270                     | 3,017                                     | 3,953                         | 1,217                             | 122                             | 35,864                                  |
| E-6              | 15,272       | 7,743                     | 2,544                                     | 3,690                         | 1,217                             | 103                             | 30,569                                  |
| E-5              | 12,446       | 6,310                     | 2,065                                     | 3,453                         | 1,217                             | 83                              | 25,574                                  |
| E-4              | 10,394       | 5,270                     | 1,763                                     | 3,271                         | 1,217                             | 40                              | 21,955                                  |
| E-3              | 8,736        | 4,429                     | 1,261                                     | 3,076                         | 1,217                             | 19                              | 18,738                                  |
| E-2              | 8,024        | 4,068                     | 744                                       | 2,966                         | 1,217                             | 12                              | 17,031                                  |
| E-1              | 7,156        | 3,628                     | 531                                       | 2,821                         | 1,217                             | 3                               | 15,356                                  |
|                  |              |                           |   |                               |                                   |                                 |   |
| Cadet            | 5,760        |                           |   |                               | 119                               | 1,866                           | 7,745                                   |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

FISCAL YEAR 1985  
ANNUAL COMPOSITE STANDARD RATES

| GRADE | ARMY         |                           |   |                               |                                   |                                 | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|-------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
|       | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY |   |
| O-10  | \$68,125     | \$34,539                  | \$-----                                   | \$7,727                       | \$2,464                           | \$-----                         | \$112,855                               |
| O-9   | 68,125       | 34,539                    | 2,913                                     | 5,304                         | 2,464                             | 1,304                           | 114,649                                 |
| O-8   | 67,528       | 34,327                    | 2,937                                     | 4,818                         | 2,464                             | 1,329                           | 113,313                                 |
| O-7   | 59,004       | 29,915                    | 3,021                                     | 4,798                         | 2,464                             | 3,025                           | 102,227                                 |
| O-6   | 49,600       | 25,147                    | 5,489                                     | 5,549                         | 2,464                             | 4,377                           | 92,626                                  |
| O-5   | 40,391       | 20,478                    | 5,697                                     | 5,110                         | 2,464                             | 2,928                           | 77,068                                  |
| O-4   | 33,190       | 16,827                    | 4,980                                     | 4,319                         | 2,464                             | 2,366                           | 64,146                                  |
| O-3   | 26,793       | 13,584                    | 3,892                                     | 3,858                         | 2,464                             | 828                             | 51,419                                  |
| O-2   | 20,426       | 10,356                    | 2,727                                     | 3,382                         | 2,464                             | 389                             | 39,744                                  |
| O-1   | 15,582       | 7,900                     | 2,117                                     | 3,020                         | 2,464                             | 389                             | 31,472                                  |
| W-4   | 29,796       | 15,076                    | 4,508                                     | 4,620                         | 2,464                             | 1,316                           | 57,720                                  |
| W-3   | 24,810       | 12,579                    | 3,587                                     | 3,854                         | 2,464                             | 1,316                           | 48,610                                  |
| W-2   | 20,874       | 10,583                    | 2,866                                     | 3,427                         | 2,464                             | 1,316                           | 41,530                                  |
| W-11  | 6,722        | 8,478                     | 2,407                                     | 3,125                         | 2,464                             | 1,316                           | 34,512                                  |
| E-9   | 27,497       | 13,941                    | 3,739                                     | 4,844                         | 965                               | 103                             | 51,089                                  |
| E-8   | 22,047       | 11,178                    | 3,779                                     | 4,448                         | 965                               | 109                             | 42,526                                  |
| E-7   | 18,178       | 9,126                     | 3,211                                     | 4,003                         | 965                               | 111                             | 35,684                                  |
| E-6   | 15,070       | 7,640                     | 2,660                                     | 3,770                         | 965                               | 119                             | 30,224                                  |
| E-5   | 12,446       | 6,310                     | 2,087                                     | 3,597                         | 965                               | 127                             | 25,532                                  |
| E-4   | 10,233       | 5,188                     | 1,515                                     | 3,679                         | 965                               | 106                             | 21,686                                  |
| E-3   | 8,841        | 4,482                     | 1,049                                     | 3,446                         | 965                               | 101                             | 18,884                                  |
| E-2   | 8,328        | 4,222                     | 754                                       | 3,105                         | 965                               | 96                              | 17,470                                  |
| E-1   | 7,260        | 3,681                     | 480                                       | 2,984                         | 965                               | 90                              | 15,460                                  |
| Cadet | 5,803        |                           |   | 1,794                         | 104                               |                                 | 7,701                                   |

## Acceleration Factors

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1985  
ANNUAL COMPOSITE STANDARD RATES**

| GRADE           | NAVY         |                           |   |                               |                                   |                                 | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|-----------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
|                 | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY |   |
| O-10            | \$68,406     | \$34,887                  | \$-----                                   | \$9,248                       | \$2,113                           | \$2,436                         | \$117,090                               |
| O-9             | 68,406       | 34,887                    | 2,152                                     | 7,597                         | 2,133                             | 2,118                           | 117,273                                 |
| O-8             | 67,364       | 34,356                    | 6,062                                     | 8,921                         | 2,113                             | 1,640                           | 120,456                                 |
| O-7             | 58,552       | 29,861                    | 5,138                                     | 4,917                         | 2,113                             | 1,608                           | 102,189                                 |
| O-6             | 49,592       | 25,292                    | 6,837                                     | 5,615                         | 2,113                             | 4,466                           | 93,915                                  |
| O-5             | 39,010       | 19,895                    | 7,202                                     | 5,014                         | 2,113                             | 3,909                           | 77,143                                  |
| O-4             | 31,921       | 16,280                    | 6,291                                     | 4,337                         | 2,113                             | 3,544                           | 64,486                                  |
| O-3             | 26,377       | 13,452                    | 5,021                                     | 4,087                         | 2,113                             | 3,382                           | 54,432                                  |
| O-2             | 20,730       | 10,572                    | 3,909                                     | 3,303                         | 2,113                             | 1,830                           | 42,457                                  |
| O-1             | 15,686       | 8,000                     | 3,439                                     | 2,867                         | 2,113                             | 1,713                           | 33,818                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| W-4             | 31,992       | 16,316                    | 6,025                                     | 4,558                         | 2,113                             | 1,952                           | 62,956                                  |
| W-3             | 25,492       | 13,001                    | 3,806                                     | 3,810                         | 2,113                             | 2,758                           | 50,980                                  |
| W-2             | 22,614       | 11,533                    | 4,200                                     | 3,383                         | 2,113                             | 3,162                           | 47,005                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| E-9             | 26,606       | 13,568                    | 5,394                                     | 5,025                         | 786                               | 1,167                           | 52,546                                  |
| E-8             | 22,123       | 11,282                    | 4,755                                     | 4,618                         | 786                               | 1,394                           | 44,958                                  |
| E-7             | 18,352       | 9,358                     | 4,068                                     | 4,360                         | 786                               | 1,498                           | 38,422                                  |
| E-6             | 15,044       | 7,671                     | 3,470                                     | 3,858                         | 786                               | 1,184                           | 32,013                                  |
| E-5             | 12,170       | 6,202                     | 2,567                                     | 3,604                         | 786                               | 1,001                           | 26,330                                  |
| E-4             | 10,329       | 5,257                     | 1,722                                     | 3,415                         | 786                               | 776                             | 22,285                                  |
| E-3             | 8,935        | 4,538                     | 1,205                                     | 3,230                         | 786                               | 84                              | 18,778                                  |
| E-2             | 8,259        | 4,139                     | 696                                       | 3,092                         | 786                               | 89                              | 17,061                                  |
| E-1             | 7,359        | 3,676                     | 341                                       | 2,933                         | 786                               | 60                              | 15,155                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| Midship-<br>men | 5,933        |                           |   | 1,914                         | 88                                | 190                             | 8,125                                   |

## Acceleration Factors

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

FISCAL YEAR 1985  
ANNUAL COMPOSITE STANDARD RATES

MARINE CORPS

| GRADE | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|-------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| O-10  | \$65,999     | \$33,660                  | \$-----                                   | \$8,835                       | \$2,250                           | \$-----                         | 110,714                                 |
| O-9   | 65,999       | 33,660                    | 5,444                                     | 5,950                         | 2,250                             | -----                           | 113,303                                 |
| O-8   | 65,999       | 33,660                    | 5,444                                     | 5,388                         | 2,250                             | -----                           | 112,741                                 |
| O-7   | 58,560       | 29,866                    | 5,444                                     | 6,527                         | 2,250                             | 1,149                           | 103,796                                 |
| O-6   | 49,842       | 25,419                    | 7,109                                     | 6,736                         | 2,250                             | 1,157                           | 92,513                                  |
| O-5   | 40,021       | 20,410                    | 6,309                                     | 6,269                         | 2,250                             | 1,151                           | 76,410                                  |
| O-4   | 32,971       | 16,815                    | 5,349                                     | 5,507                         | 2,250                             | 1,155                           | 64,047                                  |
| O-3   | 27,568       | 14,060                    | 4,672                                     | 5,163                         | 2,250                             | 1,151                           | 54,862                                  |
| O-2   | 21,989       | 11,214                    | 3,584                                     | 4,861                         | 2,250                             | 1,149                           | 45,047                                  |
| O-1   | 15,679       | 7,996                     | 1,784                                     | 4,124                         | 2,250                             | 1,149                           | 32,982                                  |
|       |              |                           |   |                               |                                   |                                 |   |
| W-4   | 31,168       | 15,896                    | 4,417                                     | 5,404                         | 2,250                             | 1,210                           | 60,345                                  |
| W-3   | 23,921       | 12,198                    | 4,399                                     | 4,860                         | 2,250                             | 1,176                           | 48,804                                  |
| W-2   | 20,557       | 10,483                    | 3,905                                     | 4,643                         | 2,250                             | 1,196                           | 43,033                                  |
| W-1   | 18,099       | 9,230                     | 1,215                                     | 4,457                         | 2,250                             | 1,182                           | 36,433                                  |
|       |              |                           |   |                               |                                   |                                 |   |
| E-9   | 27,078       | 13,712                    | 5,478                                     | 5,633                         | 756                               | 128                             | 52,785                                  |
| E-8   | 21,659       | 10,949                    | 4,847                                     | 5,029                         | 756                               | 153                             | 43,393                                  |
| E-7   | 17,756       | 8,959                     | 3,982                                     | 4,566                         | 756                               | 172                             | 35,961                                  |
| E-6   | 14,564       | 7,330                     | 3,230                                     | 4,336                         | 756                               | 141                             | 30,357                                  |
| E-5   | 12,181       | 6,115                     | 2,526                                     | 4,261                         | 756                               | 127                             | 25,966                                  |
| E-4   | 10,401       | 5,207                     | 1,337                                     | 4,113                         | 756                               | 134                             | 21,945                                  |
| E-3   | 9,012        | 4,499                     | 915                                       | 2,862                         | 756                               | 21                              | 18,065                                  |
| E-2   | 8,265        | 4,118                     | 442                                       | 2,785                         | 756                               | 17                              | 16,383                                  |
| E-1   | 7,298        | 3,625                     | 227                                       | 2,736                         | 756                               | 16                              | 14,658                                  |

Acceleration Factors

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1985  
ANNUAL COMPOSITE STANDARD RATES**

| <b>AIR FORCE</b> |              |                           |   |                               |                                   |                                 |   |
|------------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE            | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10             | \$68,700     | \$34,831                  | \$ 526                                    | \$6,923                       | \$1,955                           | \$2,308                         | \$115,243                               |
| O-9              | 68,700       | 34,831                    | 1,538                                     | 7,158                         | 1,955                             | 579                             | 114,761                                 |
| O-8              | 66,402       | 33,666                    | 2,265                                     | 6,308                         | 1,955                             | 538                             | 111,134                                 |
| O-7              | 59,129       | 29,978                    | 2,488                                     | 5,818                         | 1,955                             | 1,041                           | 100,409                                 |
| O-6              | 48,295       | 24,486                    | 5,916                                     | 5,337                         | 1,955                             | 2,764                           | 88,753                                  |
| O-5              | 39,635       | 20,095                    | 6,721                                     | 4,804                         | 1,955                             | 3,392                           | 76,602                                  |
| O-4              | 33,072       | 16,768                    | 6,102                                     | 4,227                         | 1,955                             | 3,879                           | 66,003                                  |
| O-3              | 27,258       | 13,820                    | 4,617                                     | 4,094                         | 1,955                             | 1,679                           | 53,423                                  |
| O-2              | 21,279       | 10,788                    | 3,346                                     | 3,125                         | 1,955                             | 846                             | 41,339                                  |
| O-1              | 15,567       | 7,892                     | 2,983                                     | 2,634                         | 1,955                             | 704                             | 31,735                                  |
|                  |              |                           |   |                               |                                   |                                 |   |
| E-9              | 27,257       | 13,819                    | 4,151                                     | 4,716                         | 1,185                             | 125                             | 51,253                                  |
| E-8              | 22,532       | 11,424                    | 3,584                                     | 4,335                         | 1,185                             | 123                             | 43,183                                  |
| E-7              | 19,000       | 9,633                     | 3,197                                     | 4,034                         | 1,185                             | 110                             | 37,159                                  |
| E-6              | 15,868       | 8,045                     | 2,720                                     | 3,771                         | 1,185                             | 95                              | 31,684                                  |
| E-5              | 12,918       | 6,549                     | 2,232                                     | 3,538                         | 1,185                             | 80                              | 26,502                                  |
| E-4              | 10,820       | 5,486                     | 1,842                                     | 3,382                         | 1,185                             | 46                              | 22,761                                  |
| E-3              | 9,075        | 4,601                     | 1,368                                     | 3,150                         | 1,185                             | 26                              | 19,045                                  |
| E-2              | 8,345        | 4,231                     | 845                                       | 3,027                         | 1,185                             | 18                              | 17,651                                  |
| E-1              | 6,993        | 3,545                     | 523                                       | 2,831                         | 1,185                             | 4                               | 15,081                                  |
|                  |              |                           |   |                               |                                   |                                 |   |
| Cadet            | 5,803        |                           |   | 1,869                         | 109                               |                                 | 7,781                                   |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1986  
ANNUAL COMPOSITE STANDARD RATES**

| <b>ARMY</b> |              |                           |   |                               |                                   |                                 |   |
|-------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE       | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10        | \$68,699     | \$34,830                  | \$-----                                   | \$7,833                       | \$2,928                           | \$-----                         | \$114,290                               |
| O-9         | 68,699       | 34,830                    | 2,848                                     | 5,696                         | 2,928                             | 1,304                           | 116,305                                 |
| O-8         | 68,699       | 34,830                    | 2,678                                     | 5,182                         | 2,928                             | 1,322                           | 115,639                                 |
| O-7         | 60,902       | 30,877                    | 2,845                                     | 5,181                         | 2,928                             | 2,995                           | 105,728                                 |
| O-6         | 50,759       | 25,735                    | 5,856                                     | 5,705                         | 2,928                             | 4,224                           | 95,207                                  |
| O-5         | 41,412       | 20,996                    | 6,244                                     | 5,642                         | 2,928                             | 2,857                           | 80,079                                  |
| O-4         | 33,921       | 17,198                    | 5,353                                     | 4,448                         | 2,928                             | 2,289                           | 66,137                                  |
| O-3         | 27,602       | 13,994                    | 4,154                                     | 3,911                         | 2,928                             | 777                             | 53,336                                  |
| O-2         | 20,976       | 10,635                    | 2,917                                     | 3,430                         | 2,928                             | 353                             | 41,239                                  |
| O-1         | 15,485       | 7,851                     | 2,219                                     | 3,106                         | 2,928                             | 353                             | 31,942                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| W-4         | 30,251       | 15,337                    | 4,805                                     | 4,464                         | 2,928                             | 1,510                           | 59,477                                  |
| W-3         | 25,457       | 12,907                    | 3,913                                     | 2,975                         | 2,928                             | 1,510                           | 50,690                                  |
| W-2         | 21,390       | 10,845                    | 3,140                                     | 3,528                         | 2,928                             | 1,510                           | 43,341                                  |
| W-1         | 17,653       | 8,950                     | 2,578                                     | 3,135                         | 2,928                             | 1,510                           | 36,754                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| E-9         | 28,176       | 14,285                    | 4,240                                     | 5,248                         | 1,065                             | 123                             | 53,137                                  |
| E-8         | 22,552       | 11,434                    | 3,844                                     | 4,842                         | 1,065                             | 131                             | 43,868                                  |
| E-7         | 18,752       | 9,507                     | 3,279                                     | 4,506                         | 1,065                             | 132                             | 37,241                                  |
| E-6         | 15,541       | 7,879                     | 2,731                                     | 4,395                         | 1,065                             | 140                             | 31,751                                  |
| E-5         | 12,848       | 6,514                     | 2,144                                     | 4,101                         | 1,065                             | 148                             | 26,820                                  |
| E-4         | 10,540       | 5,344                     | 1,531                                     | 3,516                         | 1,065                             | 127                             | 22,123                                  |
| E-3         | 9,133        | 4,630                     | 983                                       | 3,360                         | 1,065                             | 120                             | 19,291                                  |
| E-2         | 8,595        | 4,358                     | 662                                       | 3,257                         | 1,065                             | 117                             | 18,054                                  |
| E-1         | 7,009        | 3,554                     | 570                                       | 4,078                         | 1,065                             | 110                             | 16,386                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| Cadet       | 5,760        |                           |   | 1,796                         | 109                               |                                 | 7,665                                   |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate



FISCAL YEAR 1986  
ANNUAL COMPOSITE STANDARD RATES

NAVY

| GRADE           | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|-----------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| O-10            | \$68,699     | \$34,843                  | \$-----                                   | \$8,020                       | \$2,171                           | \$2,436                         | \$116,169                               |
| O-9             | 68,600       | 34,843                    | 2,970                                     | 6,740                         | 2,171                             | 2,174                           | 117,597                                 |
| O-8             | 68,699       | 34,843                    | 5,818                                     | 10,982                        | 2,171                             | 1,719                           | 124,232                                 |
| O-7             | 61,855       | 31,373                    | 5,848                                     | 5,142                         | 2,171                             | 1,601                           | 107,990                                 |
| O-6             | 51,172       | 25,957                    | 7,531                                     | 5,801                         | 2,171                             | 4,352                           | 96,984                                  |
| O-5             | 40,398       | 20,495                    | 7,924                                     | 5,108                         | 2,171                             | 3,820                           | 79,916                                  |
| O-4             | 33,043       | 16,766                    | 6,884                                     | 4,432                         | 2,171                             | 3,534                           | 66,830                                  |
| O-3             | 27,483       | 13,947                    | 5,588                                     | 4,436                         | 2,171                             | 3,339                           | 56,964                                  |
| O-2             | 21,696       | 11,013                    | 4,255                                     | 3,511                         | 2,171                             | 1,708                           | 44,354                                  |
| O-1             | 16,274       | 8,264                     | 3,569                                     | 2,951                         | 2,171                             | 1,556                           | 34,785                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| W-4             | 32,660       | 16,572                    | 6,386                                     | 4,478                         | 2,171                             | 2,001                           | 64,268                                  |
| W-3             | 26,467       | 13,432                    | 4,928                                     | 3,880                         | 2,171                             | 2,382                           | 53,260                                  |
| W-2             | 23,594       | 11,975                    | 4,808                                     | 3,484                         | 2,171                             | 3,082                           | 49,114                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| E-9             | 27,808       | 14,099                    | 5,977                                     | 5,114                         | 903                               | 1,253                           | 55,154                                  |
| E-8             | 22,972       | 11,646                    | 5,251                                     | 4,590                         | 903                               | 1,479                           | 46,841                                  |
| E-7             | 19,037       | 9,650                     | 4,567                                     | 4,309                         | 903                               | 1,494                           | 39,960                                  |
| E-6             | 15,726       | 7,971                     | 3,803                                     | 3,854                         | 903                               | 1,250                           | 33,507                                  |
| E-5             | 12,823       | 6,495                     | 2,835                                     | 3,616                         | 903                               | 1,028                           | 27,700                                  |
| E-4             | 10,838       | 5,481                     | 1,952                                     | 3,416                         | 903                               | 820                             | 23,410                                  |
| E-3             | 9,336        | 4,705                     | 1,384                                     | 3,210                         | 903                               | 88                              | 19,626                                  |
| E-2             | 8,595        | 4,276                     | 691                                       | 3,028                         | 903                               | 73                              | 17,569                                  |
| E-1             | 7,643        | 3,804                     | 409                                       | 2,876                         | 903                               | 54                              | 15,689                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| Midship-<br>men | 5,933        |                           |   | 1,811                         | 90                                | 177                             | 8,011                                   |

Acceleration Factors

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1986  
ANNUAL COMPOSITE STANDARD RATES**

| <b>MARINE CORPS</b> |              |                           |   |                               |                                   |                                 |   |
|---------------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE               | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10                | \$68,699     | \$34,830                  | \$-----                                   | \$8,681                       | \$2,060                           | \$-----                         | \$114,270                               |
| O-9                 | 68,699       | 34,830                    | -----                                     | 6,450                         | 2,060                             | -----                           | 112,039                                 |
| O-8                 | 68,699       | 34,830                    | -----                                     | 5,950                         | 2,060                             | -----                           | 111,539                                 |
| O-7                 | 60,904       | 34,830                    | 7,035                                     | 5,950                         | 2,060                             | -----                           | 110,779                                 |
| O-6                 | 51,685       | 30,878                    | 5,389                                     | 5,946                         | 2,060                             | 5                               | 95,963                                  |
| O-5                 | 41,710       | 26,204                    | 6,595                                     | 5,271                         | 2,060                             | 1,042                           | 82,882                                  |
| O-4                 | 34,457       | 21,147                    | 5,616                                     | 4,557                         | 2,060                             | 1,046                           | 68,883                                  |
| O-3                 | 28,780       | 17,740                    | 4,986                                     | 4,250                         | 2,060                             | 1,041                           | 58,857                                  |
| O-2                 | 22,792       | 14,591                    | 4,023                                     | 3,865                         | 2,060                             | 952                             | 48,371                                  |
| O-1                 | 16,391       | 11,555                    | 2,003                                     | 3,144                         | 2,060                             | 952                             | 36,193                                  |
|                     |              |                           |   |                               |                                   |                                 |   |
| W-4                 | 32,258       | 8,310                     | 5,276                                     | 4,350                         | 2,060                             | 1,087                           | 53,341                                  |
| W-3                 | 25,110       | 16,355                    | 4,697                                     | 3,841                         | 2,060                             | 1,067                           | 53,130                                  |
| W-2                 | 21,357       | 12,731                    | 4,351                                     | 3,609                         | 2,060                             | 1,095                           | 45,203                                  |
| W-1                 | 18,445       | 10,829                    | 1,205                                     | 3,401                         | 2,060                             | 1,076                           | 37,016                                  |
|                     |              |                           |   |                               |                                   |                                 |   |
| E-9                 | 28,101       | 14,247                    | 5,173                                     | 4,555                         | 810                               | 218                             | 53,104                                  |
| E-8                 | 22,447       | 11,381                    | 4,550                                     | 3,950                         | 810                               | 239                             | 42,577                                  |
| E-7                 | 18,599       | 9,430                     | 3,848                                     | 4,083                         | 8102                              | 48                              | 37,018                                  |
| E-6                 | 15,367       | 7,791                     | 3,325                                     | 3,867                         | 810                               | 220                             | 31,380                                  |
| E-5                 | 12,868       | 6,524                     | 2,723                                     | 3,737                         | 810                               | 202                             | 26,864                                  |
| E-4                 | 10,770       | 5,460                     | 1,786                                     | 3,682                         | 810                               | 212                             | 22,720                                  |
| E-3                 | 9,239        | 4,684                     | 1,047                                     | 3,477                         | 810                               | 261                             | 9,283                                   |
| E-2                 | 8,384        | 4,251                     | 542                                       | 2,749                         | 810                               | 25                              | 16,761                                  |
| E-1                 | 7,351        | 3,727                     | 313                                       | 2,695                         | 810                               | 25                              | 14,921                                  |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1986  
ANNUAL COMPOSITE STANDARD RATES**

**AIR FORCE**

| GRADE | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|-------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| O-10  | \$68,700     | \$34,831                  | \$ 692                                    | \$8,231                       | \$2,212                           | \$2,308                         | 116,974                                 |
| O-9   | 68,700       | 34,831                    | 1,053                                     | 7,711                         | 2,212                             | 1,026                           | 115,533                                 |
| O-8   | 68,700       | 34,831                    | 952                                       | 6,197                         | 2,212                             | 684                             | 114,564                                 |
| O-7   | 60,906       | 30,879                    | 3,218                                     | 6,006                         | 2,212                             | 1,000                           | 104,221                                 |
| O-6   | 49,884       | 25,291                    | 5,953                                     | 5,748                         | 2,212                             | 2,108                           | 91,196                                  |
| O-5   | 40,841       | 20,707                    | 6,947                                     | 5,158                         | 2,212                             | 2,733                           | 78,597                                  |
| O-4   | 34,087       | 17,282                    | 6,229                                     | 4,398                         | 2,212                             | 3,083                           | 67,291                                  |
| O-3   | 28,092       | 14,243                    | 4,803                                     | 4,268                         | 2,212                             | 2,115                           | 55,733                                  |
| O-2   | 21,936       | 11,122                    | 3,422                                     | 3,212                         | 2,212                             | 1,647                           | 43,551                                  |
| O-1   | 16,055       | 8,140                     | 3,164                                     | 2,701                         | 2,212                             | 518                             | 32,790                                  |
|       |              |                           |   |                               |                                   |                                 |   |
| E-9   | 28,083       | 14,238                    | 4,334                                     | 4,864                         | 1,471                             | 116                             | 53,107                                  |
| E-8   | 23,254       | 11,790                    | 3,800                                     | 4,406                         | 1,471                             | 113                             | 44,833                                  |
| E-7   | 19,610       | 9,942                     | 3,384                                     | 4,130                         | 1,471                             | 107                             | 38,645                                  |
| E-6   | 16,436       | 8,333                     | 2,866                                     | 3,857                         | 1,471                             | 92                              | 33,055                                  |
| E-5   | 13,396       | 6,792                     | 2,359                                     | 3,603                         | 1,471                             | 76                              | 27,697                                  |
| E-4   | 11,266       | 5,712                     | 1,919                                     | 3,438                         | 1,471                             | 47                              | 23,852                                  |
| E-3   | 9,383        | 4,757                     | 1,408                                     | 3,197                         | 1,471                             | 24                              | 20,239                                  |
| E-2   | 8,597        | 3,538                     | 830                                       | 3,064                         | 1,471                             | 17                              | 18,337                                  |
| E-1   | 7,079        | 3,589                     | 548                                       | 2,875                         | 1,471                             | 3                               | 15,564                                  |
|       |              |                           |   |                               |                                   |                                 |   |
| Cadet | 5,933        |                           |   | 1,872                         | 79                                |                                 | 7,844                                   |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1987  
ANNUAL COMPOSITE STANDARD RATES**

| <b>ARMY</b> |              |                           |   |                               |                                   |                                 |   |
|-------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE       | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10        | \$70,273     | \$36,683                  | \$3,182                                   | \$9,545                       | \$2,193                           | \$-----                         | \$121,876                               |
| O-9         | 70,271       | 36,681                    | 2,896                                     | 6,750                         | 2,193                             | 1,313                           | 120,104                                 |
| O-8         | 70,278       | 36,685                    | 2,910                                     | 6,396                         | 2,193                             | 1,368                           | 119,830                                 |
| O-7         | 62,675       | 32,716                    | 2,883                                     | 6,345                         | 2,193                             | 2,995                           | 109,807                                 |
| O-6         | 51,854       | 27,068                    | 6,059                                     | 6,454                         | 2,193                             | 4,576                           | 98,204                                  |
| O-5         | 42,259       | 22,200                    | 6,510                                     | 6,011                         | 2,193                             | 3,037                           | 82,480                                  |
| O-4         | 34,754       | 18,142                    | 5,429                                     | 4,973                         | 2,193                             | 2,322                           | 67,813                                  |
| O-3         | 28,273       | 14,759                    | 4,408                                     | 4,495                         | 2,193                             | 876                             | 54,004                                  |
| O-2         | 21,530       | 11,239                    | 2,733                                     | 3,836                         | 2,193                             | 314                             | 41,845                                  |
| O-1         | 16,242       | 8,478                     | 2,475                                     | 3,479                         | 2,193                             | 335                             | 33,202                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| W-4         | 30,939       | 16,150                    | 4,875                                     | 5,086                         | 2,193                             | 1,492                           | 60,735                                  |
| W-3         | 26,187       | 13,670                    | 4,056                                     | 4,740                         | 2,193                             | 1,685                           | 52,531                                  |
| W-2         | 21,802       | 11,381                    | 3,232                                     | 3,972                         | 2,193                             | 1,145                           | 43,725                                  |
| W-1         | 17,755       | 9,268                     | 2,794                                     | 3,756                         | 2,193                             | 3,014                           | 38,780                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| E-9         | 28,660       | 14,961                    | 4,332                                     | 5,441                         | 1,040                             | 150                             | 54,584                                  |
| E-8         | 23,136       | 12,077                    | 3,989                                     | 5,069                         | 1,040                             | 158                             | 45,469                                  |
| E-7         | 19,157       | 10,000                    | 3,372                                     | 4,694                         | 1,040                             | 160                             | 38,423                                  |
| E-6         | 15,917       | 8,309                     | 2,861                                     | 4,374                         | 1,040                             | 169                             | 32,370                                  |
| E-5         | 13,087       | 6,831                     | 2,211                                     | 4,337                         | 1,040                             | 180                             | 27,686                                  |
| E-4         | 10,783       | 5,629                     | 1,495                                     | 3,784                         | 1,040                             | 155                             | 22,886                                  |
| E-3         | 9,376        | 4,894                     | 987                                       | 3,377                         | 1,040                             | 149                             | 19,823                                  |
| E-2         | 8,790        | 4,588                     | 753                                       | 3,387                         | 1,040                             | 144                             | 18,702                                  |
| E-1         | 7,337        | 3,830                     | 552                                       | 4,182                         | 1,040                             | 137                             | 17,077                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| Cadet       | 5,889        |                           |   | 1,807                         | 98                                |                                 | 7,794                                   |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1987  
ANNUAL COMPOSITE STANDARD RATES**

| NAVY               |              |                           |   |                               |                                   |                                 |   |
|--------------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE              | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10               | \$70,245     | \$36,625                  | \$-----                                   | \$9,143                       | \$1,954                           | \$2,694                         | \$120,661                               |
| O-9                | 70,245       | 36,655                    | 1,517                                     | 7,893                         | 1,954                             | 2,229                           | 120,493                                 |
| O-8                | 70,245       | 36,667                    | 4,987                                     | 7,111                         | 1,954                             | 1,716                           | 122,680                                 |
| O-7                | 62,294       | 32,518                    | 5,950                                     | 5,785                         | 1,954                             | 1,642                           | 110,143                                 |
| O-6                | 51,815       | 27,048                    | 7,735                                     | 6,258                         | 1,954                             | 3,612                           | 98,422                                  |
| O-5                | 41,337       | 21,578                    | 8,137                                     | 5,324                         | 1,954                             | 3,656                           | 81,986                                  |
| O-4                | 33,927       | 17,710                    | 7,074                                     | 4,605                         | 1,954                             | 3,606                           | 68,876                                  |
| O-3                | 28,031       | 14,632                    | 5,670                                     | 4,497                         | 1,954                             | 3,521                           | 58,305                                  |
| O-2                | 22,042       | 11,506                    | 4,202                                     | 3,668                         | 1,954                             | 1,813                           | 45,185                                  |
| O-1                | 16,498       | 8,612                     | 3,628                                     | 3,083                         | 1,954                             | 1,568                           | 35,343                                  |
|                    |              |                           |   |                               |                                   |                                 |   |
| W-4                | 32,724       | 17,801                    | 6,151                                     | 5,080                         | 1,954                             | 2,199                           | 65,189                                  |
| W-3                | 27,183       | 14,190                    | 6,142                                     | 3,977                         | 1,954                             | 2,382                           | 55,828                                  |
| W-2                | 23,492       | 12,263                    | 4,342                                     | 3,612                         | 1,954                             | 2,966                           | 48,629                                  |
|                    |              |                           |   |                               |                                   |                                 |   |
| E-9                | 28,319       | 14,767                    | 6,081                                     | 5,165                         | 781                               | 1,540                           | 56,653                                  |
| E-8                | 23,274       | 12,136                    | 5,358                                     | 4,697                         | 781                               | 1,593                           | 47,839                                  |
| E-7                | 19,379       | 10,104                    | 4,604                                     | 4,451                         | 781                               | 1,581                           | 40,900                                  |
| E-6                | 15,945       | 8,313                     | 3,775                                     | 4,018                         | 781                               | 1,275                           | 34,107                                  |
| E-5                | 12,982       | 6,764                     | 2,815                                     | 3,784                         | 781                               | 1,053                           | 28,179                                  |
| E-4                | 10,901       | 5,673                     | 1,857                                     | 3,592                         | 781                               | 844                             | 23,648                                  |
| E-3                | 9,535        | 4,949                     | 1,280                                     | 3,402                         | 781                               | 95                              | 20,042                                  |
| E-2                | 8,767        | 4,517                     | 701                                       | 3,227                         | 781                               | 87                              | 18,080                                  |
| E-1                | 7,506        | 3,842                     | 362                                       | 2,986                         | 781                               | 69                              | 15,546                                  |
|                    |              |                           |   |                               |                                   |                                 |   |
| Midship-<br>men    | 5,890        |                           |   | 1,832                         | 91                                | 225                             | 8,038                                   |
|                    |              |                           |   |                               |                                   |                                 |   |
| Aviation<br>Cadets | 7,534        |                           |   | 4,916                         | 697                               |                                 | 13,147                                  |

## Acceleration Factors

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1987  
ANNUAL COMPOSITE STANDARD RATES**

| <b>MARINE CORPS</b> |              |                           |   |                               |                                   |                                 |   |
|---------------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE               | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10                | \$70,286     | \$36,689                  | \$-----                                   | \$8,660                       | \$2,227                           | \$-----                         | \$117,862                               |
| O-9                 | 70,286       | 36,689                    | -----                                     | 6,770                         | 2,227                             | -----                           | 115,971                                 |
| O-8                 | 70,286       | 36,689                    | -----                                     | 6,270                         | 2,227                             | -----                           | 115,471                                 |
| O-7                 | 62,277       | 32,509                    | 7,035                                     | 6,270                         | 2,227                             | -----                           | 110,317                                 |
| O-6                 | 52,768       | 27,545                    | 6,613                                     | 6,321                         | 2,227                             | 5                               | 95,479                                  |
| O-5                 | 42,834       | 22,359                    | 7,166                                     | 5,769                         | 2,227                             | 1,041                           | 81,397                                  |
| O-4                 | 35,411       | 18,485                    | 6,245                                     | 4,957                         | 2,227                             | 1,045                           | 68,369                                  |
| O-3                 | 29,631       | 15,467                    | 5,341                                     | 4,714                         | 2,227                             | 1,041                           | 58,420                                  |
| O-2                 | 23,303       | 12,164                    | 3,992                                     | 4,282                         | 2,227                             | 952                             | 47,008                                  |
| O-1                 | 17,133       | 8,944                     | 2,522                                     | 3,542                         | 2,227                             | 952                             | 35,408                                  |
|                     |              |                           |   |                               |                                   |                                 |   |
| W-4                 | 32,212       | 16,815                    | 5,831                                     | 4,722                         | 2,227                             | 1,080                           | 62,887                                  |
| W-3                 | 25,768       | 13,451                    | 4,652                                     | 4,261                         | 2,227                             | 1,066                           | 51,425                                  |
| W-2                 | 21,781       | 11,370                    | 3,420                                     | 4,016                         | 2,227                             | 1,086                           | 43,890                                  |
| W-1                 | 18,885       | 9,858                     | 3,805                                     | 3,809                         | 2,227                             | 1,077                           | 39,661                                  |
|                     |              |                           |   |                               |                                   |                                 |   |
| E-9                 | 28,726       | 14,995                    | 5,813                                     | 4,980                         | 846                               | 226                             | 55,585                                  |
| E-8                 | 22,982       | 11,998                    | 4,783                                     | 4,232                         | 846                               | 231                             | 45,072                                  |
| E-7                 | 19,112       | 9,976                     | 4,121                                     | 4,352                         | 846                               | 229                             | 38,635                                  |
| E-6                 | 15,854       | 8,276                     | 3,446                                     | 4,140                         | 846                               | 223                             | 32,786                                  |
| E-5                 | 13,292       | 6,938                     | 2,893                                     | 3,974                         | 846                               | 211                             | 28,155                                  |
| E-4                 | 11,287       | 5,892                     | 1,903                                     | 3,943                         | 846                               | 217                             | 24,088                                  |
| E-3                 | 9,724        | 5,076                     | 1,098                                     | 3,771                         | 846                               | 39                              | 20,555                                  |
| E-2                 | 8,792        | 4,589                     | 484                                       | 3,049                         | 846                               | 38                              | 17,779                                  |
| E-1                 | 7,544        | 3,938                     | 278                                       | 2,083                         | 846                               | 38                              | 15,629                                  |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

FISCAL YEAR 1987  
ANNUAL COMPOSITE STANDARD RATES

AIR FORCE

| GRADE | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|-------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| O-10  | \$70,244     | \$36,667                  | \$ 863                                    | \$6,417                       | \$1,823                           | \$2,500                         | 118,514                                 |
| O-9   | 70,244       | 36,667                    | 1,084                                     | 6,026                         | 1,823                             | 1,211                           | 117,055                                 |
| O-8   | 70,244       | 36,667                    | 1,843                                     | 6,405                         | 1,823                             | 664                             | 117,646                                 |
| O-7   | 62,275       | 32,508                    | 3,201                                     | 5,874                         | 1,823                             | 1,264                           | 106,945                                 |
| O-6   | 50,791       | 26,513                    | 6,078                                     | 5,671                         | 1,823                             | 3,853                           | 94,729                                  |
| O-5   | 41,925       | 21,884                    | 7,038                                     | 5,405                         | 1,823                             | 2,613                           | 80,687                                  |
| O-4   | 34,829       | 18,181                    | 6,361                                     | 4,657                         | 1,823                             | 2,779                           | 68,630                                  |
| O-3   | 28,708       | 14,986                    | 4,755                                     | 4,382                         | 1,823                             | 1,777                           | 56,431                                  |
| O-2   | 22,232       | 11,605                    | 3,421                                     | 3,398                         | 1,823                             | 1,278                           | 43,757                                  |
| O-1   | 16,200       | 8,456                     | 3,452                                     | 2,728                         | 1,823                             | 1,165                           | 33,824                                  |
|       |              |                           |   |                               |                                   |                                 |   |
| E-9   | 28,285       | 14,765                    | 4,420                                     | 5,242                         | 1,264                             | 165                             | 54,141                                  |
| E-8   | 23,490       | 12,262                    | 3,830                                     | 4,776                         | 1,264                             | 173                             | 45,794                                  |
| E-7   | 19,825       | 10,349                    | 3,450                                     | 4,514                         | 1,264                             | 154                             | 39,556                                  |
| E-6   | 16,671       | 8,702                     | 2,905                                     | 4,184                         | 1,264                             | 133                             | 33,859                                  |
| E-5   | 13,647       | 7,124                     | 2,408                                     | 3,942                         | 1,264                             | 108                             | 28,493                                  |
| E-4   | 11,456       | 5,980                     | 1,904                                     | 3,744                         | 1,264                             | 66                              | 24,414                                  |
| E-3   | 9,494        | 4,956                     | 1,425                                     | 3,363                         | 1,264                             | 32                              | 20,533                                  |
| E-2   | 8,790        | 4,588                     | 857                                       | 3,160                         | 1,264                             | 24                              | 18,684                                  |
| E-1   | 7,304        | 3,813                     | 456                                       | 2,904                         | 1,264                             | 6                               | 15,746                                  |
|       |              |                           |   |                               |                                   |                                 |   |
| Cadet | 5,890        |                           |   | 1,863                         | 92                                |                                 | 7,845                                   |

Acceleration Factors

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1988  
ANNUAL COMPOSITE STANDARD RATES**

| <b>ARMY</b> |              |                           |   |                               |                                   |                                 |   |
|-------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE       | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10        | \$72,545     | \$37,143                  | \$3,273                                   | \$10,479                      | \$2,549                           | \$-----                         | \$125,989                               |
| O-9         | 72,500       | 37,120                    | 3,174                                     | 8,012                         | 2,549                             | 1,367                           | 124,722                                 |
| O-8         | 72,417       | 37,077                    | 3,167                                     | 7,467                         | 2,549                             | 1,396                           | 124,072                                 |
| O-7         | 63,677       | 32,603                    | 3,154                                     | 7,459                         | 2,549                             | 3,047                           | 112,488                                 |
| O-6         | 53,282       | 27,280                    | 6,484                                     | 7,537                         | 2,549                             | 4,694                           | 101,827                                 |
| O-5         | 43,793       | 22,422                    | 6,962                                     | 6,877                         | 2,549                             | 2,983                           | 85,586                                  |
| O-4         | 35,729       | 18,293                    | 6,301                                     | 5,844                         | 2,549                             | 2,440                           | 71,156                                  |
| O-3         | 29,143       | 14,921                    | 4,122                                     | 5,075                         | 2,549                             | 884                             | 56,694                                  |
| O-2         | 22,526       | 11,533                    | 2,758                                     | 4,608                         | 2,549                             | 335                             | 44,309                                  |
| O-1         | 16,572       | 8,485                     | 2,302                                     | 3,758                         | 2,549                             | 357                             | 34,023                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| W-4         | 30,939       | 16,431                    | 4,975                                     | 5,785                         | 2,549                             | 1,405                           | 63,236                                  |
| W-3         | 26,187       | 13,788                    | 4,146                                     | 5,340                         | 2,549                             | 1,621                           | 54,372                                  |
| W-2         | 21,802       | 11,530                    | 3,180                                     | 4,602                         | 2,549                             | 1,236                           | 45,617                                  |
| W-1         | 17,755       | 9,581                     | 2,454                                     | 4,009                         | 2,549                             | 2,542                           | 39,849                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| E-9         | 29,274       | 14,988                    | 4,600                                     | 5,899                         | 952                               | 172                             | 55,886                                  |
| E-8         | 23,539       | 12,052                    | 4,138                                     | 5,487                         | 952                               | 181                             | 46,349                                  |
| E-7         | 19,681       | 10,077                    | 3,285                                     | 5,028                         | 952                               | 184                             | 39,206                                  |
| E-6         | 16,286       | 8,338                     | 3,009                                     | 4,689                         | 952                               | 195                             | 33,469                                  |
| E-5         | 13,447       | 6,885                     | 2,270                                     | 4,677                         | 952                               | 195                             | 28,366                                  |
| E-4         | 11,139       | 5,703                     | 1,534                                     | 4,116                         | 952                               | 179                             | 23,623                                  |
| E-3         | 9,574        | 4,902                     | 981                                       | 3,734                         | 952                               | 178                             | 20,321                                  |
| E-2         | 8,989        | 4,602                     | 924                                       | 3,625                         | 952                               | 165                             | 19,258                                  |
| E-1         | 7,520        | 3,850                     | 415                                       | 4,835                         | 952                               | 160                             | 17,733                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| Cadet       | 5,889        |                           |   | 1,807                         | 110                               |                                 | 7,806                                   |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate



**FISCAL YEAR 1988  
ANNUAL COMPOSITE STANDARD RATES**

| GRADE           | NAVY         |                           |   |                               |                                   |                                 | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|-----------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
|                 | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY |   |
| O-10            | \$72,500     | \$37,120                  | \$-----                                   | \$10,193                      | \$1,915                           | \$2,362                         | \$124,090                               |
| O-9             | 72,500       | 37,120                    | 1,929                                     | 8,627                         | 1,915                             | 2,257                           | 124,348                                 |
| O-8             | 72,500       | 37,120                    | 5,580                                     | 7,679                         | 1,915                             | 1,708                           | 126,502                                 |
| O-7             | 64,060       | 32,779                    | 5,808                                     | 6,428                         | 1,915                             | 1,661                           | 112,671                                 |
| O-6             | 52,952       | 27,111                    | 7,854                                     | 6,883                         | 1,915                             | 3,768                           | 100,483                                 |
| O-5             | 42,473       | 21,746                    | 8,288                                     | 6,042                         | 1,915                             | 3,782                           | 84,246                                  |
| O-4             | 34,964       | 17,902                    | 7,155                                     | 5,213                         | 1,915                             | 4,124                           | 71,291                                  |
| O-3             | 28,748       | 14,719                    | 5,712                                     | 5,320                         | 1,915                             | 4,046                           | 60,460                                  |
| O-2             | 22,960       | 11,756                    | 4,213                                     | 4,217                         | 1,915                             | 1,851                           | 46,912                                  |
| O-1             | 16,550       | 8,474                     | 3,707                                     | 3,563                         | 1,915                             | 1,223                           | 35,432                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| W-4             | 33,538       | 17,171                    | 6,321                                     | 5,552                         | 1,915                             | 1,883                           | 66,380                                  |
| W-3             | 27,934       | 14,302                    | 6,330                                     | 4,522                         | 1,915                             | 2,312                           | 57,315                                  |
| W-2             | 24,063       | 12,320                    | 4,428                                     | 4,120                         | 1,915                             | 2,522                           | 49,368                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| E-9             | 28,926       | 14,804                    | 6,263                                     | 5,675                         | 758                               | 1,785                           | 58,211                                  |
| E-8             | 23,825       | 12,193                    | 5,476                                     | 5,119                         | 758                               | 1,856                           | 49,227                                  |
| E-7             | 19,881       | 10,173                    | 4,680                                     | 4,872                         | 758                               | 1,823                           | 42,187                                  |
| E-6             | 16,378       | 8,381                     | 3,855                                     | 4,350                         | 758                               | 1,345                           | 35,067                                  |
| E-5             | 13,407       | 6,857                     | 2,887                                     | 4,101                         | 758                               | 1,161                           | 29,171                                  |
| E-4             | 11,321       | 5,784                     | 1,889                                     | 3,860                         | 758                               | 898                             | 24,510                                  |
| E-3             | 9,779        | 4,984                     | 1,315                                     | 3,605                         | 758                               | 132                             | 20,573                                  |
| E-2             | 8,989        | 4,545                     | 721                                       | 3,439                         | 758                               | 117                             | 18,569                                  |
| E-1             | 7,698        | 3,881                     | 379                                       | 3,192                         | 758                               | 84                              | 15,992                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| Mid-shipmen     | 6,022        |                           |   | 1,862                         | 91                                | 228                             | 8,203                                   |
|                 |              |                           |   |                               |                                   |                                 |   |
| Aviation Cadets | 7,681        |                           |   | 2,959                         | 475                               |                                 | 11,115                                  |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

FISCAL YEAR 1988  
ANNUAL COMPOSITE STANDARD RATES

MARINE CORPS

| GRADE | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|-------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| O-10  | \$73,588     | \$37,677                  | \$-----                                   | \$9,624                       | \$2,201                           | \$-----                         | \$123,090                               |
| O-9   | 73,588       | 37,667                    | 5,557                                     | 7,924                         | 2,201                             | -----                           | 126,947                                 |
| O-8   | 73,237       | 37,497                    | 4,130                                     | 7,424                         | 2,201                             | -----                           | 124,490                                 |
| O-7   | 63,675       | 32,601                    | 2,947                                     | 7,424                         | 2,201                             | -----                           | 108,848                                 |
| O-6   | 54,234       | 27,773                    | 6,634                                     | 6,975                         | 2,201                             | 5                               | 97,831                                  |
| O-5   | 43,892       | 22,473                    | 7,239                                     | 6,297                         | 2,201                             | 923                             | 83,025                                  |
| O-4   | 36,515       | 18,696                    | 6,274                                     | 5,447                         | 2,201                             | 927                             | 70,060                                  |
| O-3   | 30,429       | 15,580                    | 5,431                                     | 5,113                         | 2,201                             | 923                             | 59,678                                  |
| O-2   | 24,055       | 12,316                    | 3,984                                     | 4,654                         | 2,201                             | 922                             | 48,132                                  |
| O-1   | 17,284       | 8,849                     | 2,637                                     | 3,841                         | 2,201                             | 922                             | 35,735                                  |
| W-4   | 32,215       | 16,597                    | 6,053                                     | 5,036                         | 2,201                             | 960                             | 63,262                                  |
| W-3   | 25,987       | 13,305                    | 4,761                                     | 4,559                         | 2,201                             | 948                             | 51,761                                  |
| W-2   | 21,960       | 11,244                    | 3,414                                     | 4,295                         | 2,201                             | 968                             | 44,083                                  |
| W-1   | 19,002       | 9,729                     | 2,670                                     | 4,076                         | 2,201                             | 977                             | 38,655                                  |
| E-9   | 29,281       | 14,992                    | 5,630                                     | 5,025                         | 826                               | 217                             | 55,971                                  |
| E-8   | 23,390       | 11,976                    | 4,672                                     | 4,448                         | 826                               | 238                             | 45,550                                  |
| E-7   | 19,557       | 10,013                    | 4,125                                     | 4,448                         | 826                               | 229                             | 39,197                                  |
| E-6   | 16,268       | 8,329                     | 3,523                                     | 4,239                         | 826                               | 222                             | 33,407                                  |
| E-5   | 13,626       | 6,976                     | 2,942                                     | 4,087                         | 826                               | 212                             | 28,668                                  |
| E-4   | 11,500       | 5,888                     | 1,925                                     | 3,986                         | 826                               | 219                             | 24,343                                  |
| E-3   | 9,918        | 5,078                     | 1,118                                     | 3,813                         | 826                               | 42                              | 20,795                                  |
| E-2   | 8,989        | 4,602                     | 466                                       | 3,175                         | 826                               | 41                              | 18,098                                  |
| E-1   | 7,659        | 3,921                     | 295                                       | 3,111                         | 826                               | 41                              | 15,853                                  |

Acceleration Factors

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

FISCAL YEAR 1988  
ANNUAL COMPOSITE STANDARD RATES

| AIR FORCE |              |                           |   |                               |                                   |                                 |   |
|-----------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE     | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10      | \$72,500     | \$37,120                  | \$ 863                                    | \$7,129                       | \$2,131                           | \$2,500                         | 122,312                                 |
| O-9       | 72,500       | 37,120                    | 1,084                                     | 6,532                         | 2,131                             | 703                             | 119,893                                 |
| O-8       | 70,416       | 36,053                    | 1,843                                     | 6,247                         | 2,131                             | 425                             | 116,955                                 |
| O-7       | 63,677       | 32,590                    | 3,201                                     | 6,489                         | 2,131                             | 2,543                           | 110,969                                 |
| O-6       | 52,080       | 26,655                    | 6,078                                     | 5,848                         | 2,131                             | 4,004                           | 97,074                                  |
| O-5       | 42,777       | 21,894                    | 7,038                                     | 5,652                         | 2,131                             | 2,688                           | 82,376                                  |
| O-4       | 35,607       | 18,224                    | 6,361                                     | 5,208                         | 2,131                             | 2,890                           | 70,467                                  |
| O-3       | 29,360       | 15,027                    | 4,755                                     | 5,075                         | 2,131                             | 1,809                           | 58,414                                  |
| O-2       | 22,577       | 11,555                    | 3,421                                     | 4,690                         | 2,131                             | 1,296                           | 45,837                                  |
| O-1       | 16,394       | 8,391                     | 3,452                                     | 4,381                         | 2,131                             | 1,438                           | 36,061                                  |
|           |              |                           |   |                               |                                   |                                 |   |
| E-9       | 29,001       | 14,836                    | 4,479                                     | 5,758                         | 1,125                             | 162                             | 55,361                                  |
| E-8       | 24,089       | 13,323                    | 3,883                                     | 5,225                         | 1,125                             | 172                             | 46,817                                  |
| E-7       | 20,352       | 10,411                    | 3,506                                     | 4,965                         | 1,125                             | 151                             | 40,510                                  |
| E-6       | 17,079       | 8,737                     | 2,956                                     | 4,537                         | 1,125                             | 127                             | 34,561                                  |
| E-5       | 14,029       | 7,177                     | 2,429                                     | 4,227                         | 1,125                             | 95                              | 29,082                                  |
| E-4       | 11,768       | 6,020                     | 1,893                                     | 4,107                         | 1,125                             | 62                              | 24,975                                  |
| E-3       | 9,711        | 4,968                     | 1,448                                     | 3,596                         | 1,125                             | 42                              | 20,890                                  |
| E-2       | 8,989        | 4,598                     | 847                                       | 3,412                         | 1,125                             | 35                              | 19,006                                  |
| E-1       | 7,519        | 3,826                     | 530                                       | 3,155                         | 1,125                             | 24                              | 16,199                                  |
|           |              |                           |   |                               |                                   |                                 |   |
| Cadet     | 6,022        |                           |   | 1,899                         | 113                               |                                 | 8,034                                   |

## Acceleration Factors

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1989  
ANNUAL COMPOSITE STANDARD RATES**

| <b>ARMY</b> |              |                           |   |                               |                                   |                                 |   |
|-------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE       | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10        | \$74,727     | \$37,513                  | \$2,909                                   | \$10,361                      | \$2,891                           | \$-----                         | \$128,401                               |
| O-9         | 74,717       | 37,508                    | 2,913                                     | 8,193                         | 2,891                             | 1,672                           | 127,895                                 |
| O-8         | 74,715       | 37,507                    | 2,924                                     | 7,546                         | 2,891                             | 1,015                           | 126,598                                 |
| O-7         | 65,959       | 33,111                    | 2,923                                     | 7,577                         | 2,891                             | 1,125                           | 113,587                                 |
| O-6         | 55,104       | 27,662                    | 6,542                                     | 8,536                         | 2,891                             | 4,950                           | 105,686                                 |
| O-5         | 45,452       | 22,817                    | 7,058                                     | 7,469                         | 2,891                             | 2,028                           | 87,714                                  |
| O-4         | 37,078       | 18,613                    | 6,584                                     | 6,222                         | 2,891                             | 2,814                           | 74,202                                  |
| O-3         | 30,269       | 15,195                    | 4,139                                     | 5,449                         | 2,891                             | 1,805                           | 59,748                                  |
| O-2         | 23,680       | 11,887                    | 2,815                                     | 5,069                         | 2,891                             | 393                             | 46,736                                  |
| O-1         | 17,115       | 8,592                     | 2,202                                     | 4,002                         | 2,891                             | 352                             | 35,154                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| W-4         | 33,358       | 16,746                    | 5,149                                     | 6,198                         | 2,891                             | 2,513                           | 66,854                                  |
| W-3         | 27,787       | 13,949                    | 4,232                                     | 5,593                         | 2,891                             | 2,278                           | 56,730                                  |
| W-2         | 23,442       | 11,768                    | 3,350                                     | 5,029                         | 2,891                             | 1,059                           | 47,539                                  |
| W-1         | 19,550       | 9,814                     | 2,546                                     | 4,207                         | 2,891                             | 1,224                           | 40,232                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| E-9         | 30,532       | 15,237                    | 4,763                                     | 6,145                         | 1,086                             | 180                             | 57,763                                  |
| E-8         | 24,416       | 12,257                    | 4,276                                     | 5,696                         | 1,086                             | 189                             | 47,919                                  |
| E-7         | 20,419       | 10,250                    | 3,436                                     | 5,202                         | 1,086                             | 190                             | 40,584                                  |
| E-6         | 16,912       | 8,490                     | 3,108                                     | 4,864                         | 1,086                             | 198                             | 34,658                                  |
| E-5         | 13,970       | 7,013                     | 2,321                                     | 4,772                         | 1,086                             | 210                             | 29,372                                  |
| E-4         | 11,590       | 5,818                     | 1,578                                     | 4,201                         | 1,086                             | 188                             | 24,461                                  |
| E-3         | 9,925        | 4,982                     | 1,035                                     | 3,851                         | 1,086                             | 178                             | 21,057                                  |
| E-2         | 9,312        | 4,675                     | 957                                       | 3,718                         | 1,086                             | 173                             | 19,921                                  |
| E-1         | 7,835        | 3,933                     | 452                                       | 5,017                         | 1,086                             | 167                             | 18,491                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| Cadet       | 6,238        |                           |   | 1,866                         | 261                               |                                 | 8,365                                   |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1989  
ANNUAL COMPOSITE STANDARD RATES**

| NAVY               |              |                           |   |                               |                                   |                                 |   |
|--------------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE              | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10               | \$74,701     | \$37,500                  | \$-----                                   | \$10,527                      | \$2,030                           | \$2,118                         | \$126,876                               |
| O-9                | 74,701       | 37,500                    | 1,871                                     | 8,962                         | 2,030                             | 2,313                           | 127,377                                 |
| O-8                | 74,701       | 37,500                    | 5,686                                     | 8,504                         | 2,030                             | 1,875                           | 130,296                                 |
| O-7                | 65,964       | 33,144                    | 5,659                                     | 7,794                         | 2,030                             | 1,828                           | 116,389                                 |
| O-6                | 54,841       | 27,530                    | 8,111                                     | 7,322                         | 2,030                             | 4,252                           | 104,086                                 |
| O-5                | 44,080       | 22,128                    | 8,503                                     | 6,428                         | 2,030                             | 4,133                           | 87,302                                  |
| O-4                | 36,291       | 18,218                    | 7,354                                     | 5,514                         | 2,030                             | 4,899                           | 74,306                                  |
| O-3                | 29,843       | 14,981                    | 5,921                                     | 5,614                         | 2,030                             | 4,920                           | 63,309                                  |
| O-2                | 23,599       | 11,847                    | 4,750                                     | 4,254                         | 2,030                             | 1,834                           | 48,314                                  |
| O-1                | 17,166       | 8,617                     | 3,703                                     | 3,546                         | 2,030                             | 1,296                           | 33,358                                  |
|                    |              |                           |   |                               |                                   |                                 |   |
| W-4                | 34,782       | 17,461                    | 6,043                                     | 6,328                         | 2,030                             | 2,137                           | 68,781                                  |
| W-3                | 28,988       | 14,552                    | 5,683                                     | 4,791                         | 2,030                             | 2,508                           | 58,552                                  |
| W-2                | 24,893       | 12,496                    | 5,677                                     | 4,211                         | 2,030                             | 2,313                           | 51,620                                  |
|                    |              |                           |   |                               |                                   |                                 |   |
| E-9                | 30,284       | 15,202                    | 6,473                                     | 5,733                         | 777                               | 1,792                           | 60,261                                  |
| E-8                | 24,813       | 12,455                    | 5,672                                     | 5,278                         | 777                               | 2,016                           | 51,011                                  |
| E-7                | 20,684       | 10,381                    | 4,882                                     | 4,945                         | 777                               | 1,860                           | 43,529                                  |
| E-6                | 16,995       | 8,530                     | 3,932                                     | 4,533                         | 777                               | 1,496                           | 36,263                                  |
| E-5                | 13,917       | 6,982                     | 3,022                                     | 4,207                         | 777                               | 1,128                           | 30,033                                  |
| E-4                | 11,672       | 5,850                     | 1,963                                     | 3,973                         | 777                               | 865                             | 25,100                                  |
| E-3                | 10,050       | 5,021                     | 1,310                                     | 3,973                         | 777                               | 125                             | 21,256                                  |
| E-2                | 9,322        | 4,361                     | 754                                       | 3,581                         | 777                               | 100                             | 19,165                                  |
| E-1                | 7,972        | 3,957                     | 447                                       | 3,060                         | 777                               | 72                              | 16,285                                  |
|                    |              |                           |   |                               |                                   |                                 |   |
| Mid-<br>shipmen    | 6,238        |                           |   | 1,880                         | 86                                | 208                             | 8,412                                   |
|                    |              |                           |   |                               |                                   |                                 |   |
| Aviation<br>Cadets | 7,956        |                           |   | 4,060                         | 258                               |                                 | 12,274                                  |

## Acceleration Factors

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1989  
ANNUAL COMPOSITE STANDARD RATES**

| <b>MARINE CORPS</b> |              |                           |   |                               |                                   |                                 |   |
|---------------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE               | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10                | \$74,730     | \$37,514                  | \$-----                                   | \$9,591                       | \$2,149                           | \$-----                         | \$123,984                               |
| O-9                 | 74,730       | 37,514                    | -----                                     | 7,784                         | 2,149                             | -----                           | 122,177                                 |
| O-8                 | 74,730       | 37,514                    | -----                                     | 7,284                         | 2,149                             | -----                           | 121,677                                 |
| O-7                 | 65,957       | 33,111                    | 8,086                                     | 7,284                         | 2,149                             | -----                           | 116,587                                 |
| O-6                 | 56,437       | 28,311                    | 6,723                                     | 7,018                         | 2,149                             | 5                               | 100,662                                 |
| O-5                 | 45,721       | 22,952                    | 7,481                                     | 6,463                         | 2,149                             | 979                             | 85,745                                  |
| O-4                 | 37,985       | 19,069                    | 6,389                                     | 5,599                         | 2,149                             | 983                             | 72,173                                  |
| O-3                 | 31,583       | 15,855                    | 5,598                                     | 5,199                         | 2,149                             | 979                             | 61,362                                  |
| O-2                 | 25,099       | 12,600                    | 4,009                                     | 4,783                         | 2,149                             | 978                             | 49,617                                  |
| O-1                 | 17,770       | 8,920                     | 2,779                                     | 3,915                         | 2,149                             | 977                             | 36,510                                  |
|                     |              |                           |   |                               |                                   |                                 |   |
| W-4                 | 33,387       | 16,760                    | 6,404                                     | 5,168                         | 2,149                             | 1,013                           | 64,881                                  |
| W-3                 | 27,610       | 13,860                    | 5,036                                     | 4,734                         | 2,149                             | 1,001                           | 54,390                                  |
| W-2                 | 23,060       | 11,576                    | 3,337                                     | 4,442                         | 2,149                             | 1,025                           | 45,589                                  |
| W-1                 | 20,719       | 10,401                    | 4,053                                     | 4,267                         | 2,149                             | 1,011                           | 42,600                                  |
|                     |              |                           |   |                               |                                   |                                 |   |
| E-9                 | 30,324       | 15,223                    | 5,804                                     | 5,658                         | 790                               | 248                             | 58,047                                  |
| E-8                 | 24,219       | 12,158                    | 4,737                                     | 4,919                         | 790                               | 256                             | 47,078                                  |
| E-7                 | 20,329       | 10,205                    | 4,200                                     | 4,911                         | 790                               | 254                             | 40,688                                  |
| E-6                 | 16,965       | 8,516                     | 3,625                                     | 4,677                         | 790                               | 243                             | 34,817                                  |
| E-5                 | 14,172       | 7,114                     | 3,126                                     | 4,514                         | 790                               | 225                             | 29,941                                  |
| E-4                 | 11,960       | 6,004                     | 2,059                                     | 4,387                         | 790                               | 233                             | 25,433                                  |
| E-3                 | 10,206       | 5,124                     | 1,183                                     | 4,190                         | 790                               | 51                              | 21,543                                  |
| E-2                 | 9,310        | 4,674                     | 541                                       | 3,580                         | 790                               | 49                              | 18,943                                  |
| E-1                 | 7,950        | 3,991                     | 365                                       | 3,498                         | 790                               | 49                              | 16,643                                  |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1989  
ANNUAL COMPOSITE STANDARD RATES**

| <b>AIR FORCE</b> |              |                           |   |                               |                                   |                                 |   |
|------------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE            | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10             | \$75,400     | \$37,851                  | \$ 852                                    | \$13,474                      | \$2,305                           | \$3,719                         | 133,601                                 |
| O-9              | 75,400       | 37,851                    | 898                                       | 11,236                        | 2,305                             | 1,245                           | 128,935                                 |
| O-8              | 75,400       | 37,851                    | 2,290                                     | 8,500                         | 2,305                             | 1,195                           | 127,461                                 |
| O-7              | 66,548       | 33,407                    | 3,516                                     | 9,361                         | 2,305                             | 1,610                           | 116,747                                 |
| O-6              | 54,109       | 27,163                    | 6,703                                     | 7,818                         | 2,305                             | 4,279                           | 102,376                                 |
| O-5              | 44,548       | 22,363                    | 7,502                                     | 7,572                         | 2,305                             | 3,250                           | 87,540                                  |
| O-4              | 36,729       | 18,434                    | 6,819                                     | 6,237                         | 2,305                             | 3,890                           | 74,214                                  |
| O-3              | 30,358       | 15,240                    | 5,152                                     | 5,456                         | 2,305                             | 1,819                           | 60,330                                  |
| O-2              | 23,454       | 11,774                    | 3,679                                     | 4,290                         | 2,305                             | 718                             | 46,220                                  |
| O-1              | 16,812       | 8,440                     | 3,444                                     | 3,416                         | 2,305                             | 542                             | 34,959                                  |
|                  |              |                           |   |                               |                                   |                                 |   |
| E-9              | 30,066       | 15,093                    | 4,943                                     | 6,376                         | 1,142                             | 168                             | 57,788                                  |
| E-8              | 24,930       | 12,515                    | 4,356                                     | 5,915                         | 1,142                             | 183                             | 49,401                                  |
| E-7              | 21,040       | 10,562                    | 3,672                                     | 5,499                         | 1,142                             | 157                             | 42,072                                  |
| E-6              | 17,664       | 8,867                     | 3,174                                     | 5,058                         | 1,142                             | 131                             | 36,036                                  |
| E-5              | 14,565       | 7,312                     | 2,440                                     | 4,721                         | 1,142                             | 96                              | 30,276                                  |
| E-4              | 12,111       | 6,080                     | 1,933                                     | 4,430                         | 1,142                             | 62                              | 25,758                                  |
| E-3              | 10,066       | 5,053                     | 1,468                                     | 3,965                         | 1,142                             | 46                              | 21,740                                  |
| E-2              | 9,310        | 4,674                     | 968                                       | 3,666                         | 1,142                             | 44                              | 19,804                                  |
| E-1              | 7,721        | 3,876                     | 528                                       | 3,264                         | 1,142                             | 25                              | 16,556                                  |
|                  |              |                           |   |                               |                                   |                                 |   |
| Cadet            | 6,238        |                           |   | 1,944                         | 124                               |                                 | 8,306                                   |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1990  
ANNUAL COMPOSITE STANDARD RATES**

| <b>ARMY</b> |              |                           |   |                               |                                   |                                 |   |
|-------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE       | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10        | \$77,545     | \$34,042                  | \$3,182                                   | \$11,687                      | \$3,352                           | \$-----                         | \$129,809                               |
| O-9         | 77,522       | 34,032                    | 2,913                                     | 9,112                         | 3,352                             | 2,233                           | 129,163                                 |
| O-8         | 77,521       | 34,032                    | 2,757                                     | 8,973                         | 3,352                             | 1,336                           | 127,971                                 |
| O-7         | 68,415       | 30,034                    | 2,790                                     | 9,031                         | 3,352                             | 1,572                           | 115,194                                 |
| O-6         | 57,176       | 25,100                    | 6,179                                     | 8,656                         | 3,352                             | 6,456                           | 106,919                                 |
| O-5         | 46,970       | 20,620                    | 6,914                                     | 7,909                         | 3,352                             | 2,698                           | 88,463                                  |
| O-4         | 38,337       | 16,830                    | 5,634                                     | 6,604                         | 3,352                             | 3,694                           | 74,406                                  |
| O-3         | 31,242       | 13,715                    | 4,504                                     | 5,835                         | 3,352                             | 2,345                           | 60,994                                  |
| O-2         | 24,819       | 10,896                    | 3,241                                     | 5,541                         | 3,352                             | 750                             | 48,598                                  |
| O-1         | 17,781       | 7,806                     | 3,482                                     | 4,410                         | 3,352                             | 389                             | 37,219                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| W-4         | 34,962       | 15,348                    | 5,333                                     | 6,759                         | 3,352                             | 3,786                           | 69,541                                  |
| W-3         | 28,824       | 12,654                    | 4,561                                     | 5,935                         | 3,352                             | 3,214                           | 58,540                                  |
| W-2         | 24,036       | 10,552                    | 3,182                                     | 5,359                         | 3,352                             | 1,586                           | 48,066                                  |
| W-1         | 19,955       | 8,760                     | 3,195                                     | 4,618                         | 3,352                             | 1,576                           | 41,456                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| E-9         | 31,107       | 13,656                    | 4,574                                     | 6,885                         | 1,180                             | 170                             | 57,572                                  |
| E-8         | 25,305       | 11,109                    | 4,163                                     | 6,117                         | 1,180                             | 178                             | 48,052                                  |
| E-7         | 21,238       | 9,323                     | 3,547                                     | 5,440                         | 1,180                             | 179                             | 40,907                                  |
| E-6         | 17,622       | 7,736                     | 3,053                                     | 5,021                         | 1,180                             | 186                             | 34,799                                  |
| E-5         | 14,666       | 6,438                     | 2,359                                     | 4,804                         | 1,180                             | 196                             | 29,644                                  |
| E-4         | 11,968       | 5,254                     | 1,552                                     | 4,282                         | 1,180                             | 177                             | 24,412                                  |
| E-3         | 10,217       | 4,485                     | 1,054                                     | 3,856                         | 1,180                             | 168                             | 20,961                                  |
| E-2         | 9,610        | 4,219                     | 795                                       | 3,658                         | 1,180                             | 162                             | 19,624                                  |
| E-1         | 8,570        | 3,762                     | 489                                       | 4,854                         | 1,180                             | 157                             | 19,012                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| Cadet       | 6,470        |                           |   | 1,880                         | 264                               |                                 | 8,614                                   |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate



**FISCAL YEAR 1990  
ANNUAL COMPOSITE STANDARD RATES**

| NAVY            |              |                           |   |                               |                                   |                                 |   |
|-----------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE           | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10            | \$77,613     | \$34,072                  | \$-----                                   | \$11,978                      | \$2,223                           | \$2,464                         | \$128,531                               |
| O-9             | 77,516       | 34,029                    | 2,010                                     | 9,817                         | 2,223                             | 2,303                           | 127,899                                 |
| O-8             | 77,538       | 34,039                    | 5,980                                     | 9,406                         | 2,223                             | 1,902                           | 131,088                                 |
| O-7             | 68,414       | 30,034                    | 6,191                                     | 8,486                         | 2,223                             | 1,848                           | 117,194                                 |
| O-6             | 56,891       | 24,975                    | 8,834                                     | 8,030                         | 2,223                             | 4,236                           | 105,190                                 |
| O-5             | 45,883       | 20,143                    | 9,585                                     | 7,058                         | 2,223                             | 4,266                           | 89,157                                  |
| O-4             | 37,678       | 16,541                    | 8,028                                     | 6,049                         | 2,223                             | 5,029                           | 75,548                                  |
| O-3             | 30,942       | 13,583                    | 6,559                                     | 5,985                         | 2,223                             | 5,043                           | 64,335                                  |
| O-2             | 24,554       | 10,779                    | 5,459                                     | 4,629                         | 2,223                             | 1,806                           | 49,450                                  |
| O-1             | 17,918       | 7,866                     | 4,194                                     | 3,887                         | 2,223                             | 1,307                           | 37,394                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| W-4             | 36,252       | 15,915                    | 6,016                                     | 7,459                         | 2,223                             | 2,447                           | 70,313                                  |
| W-3             | 30,336       | 13,317                    | 6,056                                     | 5,402                         | 2,223                             | 2,488                           | 59,822                                  |
| W-2             | 25,857       | 11,351                    | 6,290                                     | 4,623                         | 2,223                             | 2,422                           | 52,767                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| E-9             | 30,870       | 13,552                    | 6,983                                     | 6,463                         | 815                               | 1,911                           | 60,595                                  |
| E-8             | 25,446       | 11,171                    | 6,176                                     | 5,859                         | 815                               | 1,957                           | 51,423                                  |
| E-7             | 21,321       | 9,360                     | 5,282                                     | 5,521                         | 815                               | 1,854                           | 44,152                                  |
| E-6             | 17,719       | 7,778                     | 4,273                                     | 4,979                         | 815                               | 1,521                           | 37,085                                  |
| E-5             | 14,449       | 6,343                     | 3,286                                     | 4,679                         | 815                               | 1,189                           | 30,760                                  |
| E-4             | 11,995       | 5,266                     | 2,191                                     | 4,411                         | 815                               | 852                             | 25,530                                  |
| E-3             | 10,563       | 4,593                     | 1,469                                     | 4,161                         | 815                               | 119                             | 21,621                                  |
| E-2             | 9,657        | 4,240                     | 810                                       | 3,963                         | 815                               | 99                              | 19,585                                  |
| E-1             | 8,380        | 3,679                     | 427                                       | 3,672                         | 815                               | 76                              | 17,050                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| Mid-shipmen     | 6,470        |                           |   | 1,905                         | 85                                | 232                             | 8,691                                   |
|                 |              |                           |   |                               |                                   |                                 |   |
| Aviation Cadets | 8,251        |                           |   | 4,116                         | 220                               |                                 | 12,684                                  |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1990  
ANNUAL COMPOSITE STANDARD RATES**

| <b>MARINE CORPS</b> |              |                           |   |                               |                                   |                                 |   |
|---------------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE               | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10                | \$77,538     | \$34,039                  | -----                                     | \$10,706                      | \$2,198                           | -----                           | \$124,481                               |
| O-9                 | 77,538       | 34,039                    | -----                                     | 8,847                         | 2,198                             | -----                           | 122,622                                 |
| O-8                 | 77,512       | 34,039                    | -----                                     | 8,347                         | 2,198                             | -----                           | 122,084                                 |
| O-7                 | 68,413       | 30,033                    | 8,714                                     | 8,347                         | 2,198                             | -----                           | 117,706                                 |
| O-6                 | 58,221       | 35,559                    | 7,165                                     | 7,752                         | 2,198                             | 5                               | 100,900                                 |
| O-5                 | 47,455       | 20,833                    | 8,336                                     | 6,801                         | 2,198                             | 1,069                           | 86,692                                  |
| O-4                 | 39,525       | 27,351                    | 6,859                                     | 5,812                         | 2,198                             | 1,073                           | 72,818                                  |
| O-3                 | 32,768       | 14,385                    | 6,132                                     | 5,348                         | 2,198                             | 1,069                           | 61,900                                  |
| O-2                 | 25,692       | 11,279                    | 4,387                                     | 4,859                         | 2,198                             | 1,068                           | 49,483                                  |
| O-1                 | 18,457       | 8,103                     | 2,875                                     | 3,997                         | 2,198                             | 1,067                           | 36,697                                  |
|                     |              |                           |   |                               |                                   |                                 |   |
| W-4                 | 34,558       | 15,171                    | 7,079                                     | 5,391                         | 2,198                             | 1,097                           | 65,495                                  |
| W-3                 | 28,595       | 12,553                    | 5,556                                     | 4,937                         | 2,198                             | 1,090                           | 54,929                                  |
| W-2                 | 24,087       | 10,574                    | 2,052                                     | 4,642                         | 2,198                             | 1,136                           | 44,689                                  |
| W-1                 | 21,410       | 9,399                     | 4,686                                     | 4,438                         | 2,198                             | 1,096                           | 43,227                                  |
|                     |              |                           |   |                               |                                   |                                 |   |
| E-9                 | 31,078       | 13,643                    | 5,932                                     | 5,522                         | 871                               | 247                             | 57,294                                  |
| E-8                 | 25,095       | 11,017                    | 4,792                                     | 4,843                         | 871                               | 255                             | 46,873                                  |
| E-7                 | 21,114       | 9,269                     | 4,468                                     | 4,795                         | 871                               | 252                             | 40,768                                  |
| E-6                 | 17,638       | 7,743                     | 3,835                                     | 4,538                         | 871                               | 242                             | 34,866                                  |
| E-5                 | 14,745       | 6,473                     | 3,404                                     | 4,351                         | 871                               | 224                             | 30,068                                  |
| E-4                 | 12,434       | 5,458                     | 2,425                                     | 4,323                         | 871                               | 232                             | 25,652                                  |
| E-3                 | 10,594       | 4,651                     | 1,258                                     | 3,984                         | 871                               | 49                              | 21,406                                  |
| E-2                 | 9,657        | 4,239                     | 594                                       | 3,354                         | 871                               | 48                              | 18,763                                  |
| E-1                 | 8,251        | 3,622                     | 368                                       | 3,265                         | 871                               | 48                              | 16,427                                  |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1990  
ANNUAL COMPOSITE STANDARD RATES**

| <b>AIR FORCE</b> |              |                           |   |                               |                                   |                                 |   |
|------------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE            | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10             | \$77,539     | \$34,039                  | \$ 979                                    | \$13,201                      | \$2,496                           | \$5,818                         | 134,072                                 |
| O-9              | 77,526       | 34,034                    | 670                                       | 9,082                         | 2,496                             | 1,977                           | 125,785                                 |
| O-8              | 77,526       | 34,034                    | 2,231                                     | 6,801                         | 2,496                             | 1,894                           | 124,982                                 |
| O-7              | 68,411       | 30,032                    | 3,990                                     | 8,735                         | 2,496                             | 2,555                           | 116,219                                 |
| O-6              | 56,353       | 24,739                    | 6,949                                     | 8,117                         | 2,496                             | 7,113                           | 105,767                                 |
| O-5              | 46,297       | 20,324                    | 7,867                                     | 7,526                         | 2,496                             | 5,301                           | 89,811                                  |
| O-4              | 38,085       | 16,719                    | 6,777                                     | 6,459                         | 2,496                             | 6,530                           | 77,066                                  |
| O-3              | 31,397       | 13,783                    | 5,234                                     | 5,720                         | 2,496                             | 2,996                           | 61,626                                  |
| O-2              | 23,622       | 10,370                    | 3,724                                     | 4,589                         | 2,496                             | 1,345                           | 46,146                                  |
| O-1              | 17,351       | 7,617                     | 3,292                                     | 3,813                         | 2,496                             | 1,225                           | 35,794                                  |
|                  |              |                           |   |                               |                                   |                                 |   |
| E-9              | 31,308       | 13,744                    | 5,019                                     | 6,692                         | 1,214                             | 173                             | 58,240                                  |
| E-8              | 25,855       | 11,350                    | 4,402                                     | 6,228                         | 1,214                             | 183                             | 49,233                                  |
| E-7              | 21,893       | 9,611                     | 3,876                                     | 5,709                         | 1,214                             | 151                             | 42,454                                  |
| E-6              | 18,430       | 8,091                     | 3,291                                     | 5,297                         | 1,214                             | 131                             | 36,453                                  |
| E-5              | 15,261       | 6,700                     | 2,642                                     | 4,991                         | 1,214                             | 98                              | 30,906                                  |
| E-4              | 12,608       | 5,535                     | 1,985                                     | 4,570                         | 1,214                             | 59                              | 25,971                                  |
| E-3              | 10,354       | 4,545                     | 1,367                                     | 4,129                         | 1,214                             | 48                              | 21,658                                  |
| E-2              | 9,657        | 4,239                     | 765                                       | 4,130                         | 1,214                             | 43                              | 20,048                                  |
| E-1              | 8,034        | 3,527                     | 493                                       | 3,533                         | 1,214                             | 27                              | 16,827                                  |
|                  |              |                           |   |                               |                                   |                                 |   |
| Cadet            | 6,470        |                           |   | 1,948                         | 2,496                             |                                 | 10,914                                  |

## Acceleration Factors

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1991  
ANNUAL COMPOSITE STANDARD RATES**

| <b>ARMY</b> |              |                           |   |                               |                                   |                                 |   |
|-------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE       | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10        | \$95,500     | \$41,352                  | \$3,167                                   | \$14,066                      | \$4,123                           | \$-----                         | \$158,207                               |
| O-9         | 86,933       | 37,642                    | 3,333                                     | 10,544                        | 4,123                             | 3,841                           | 146,416                                 |
| O-8         | 80,597       | 34,899                    | 3,129                                     | 9,676                         | 4,123                             | 1,394                           | 133,818                                 |
| O-7         | 71,133       | 30,800                    | 3,189                                     | 9,547                         | 4,123                             | 1,374                           | 120,166                                 |
| O-6         | 59,463       | 25,747                    | 6,743                                     | 9,750                         | 4,123                             | 6,996                           | 112,822                                 |
| O-5         | 49,042       | 21,235                    | 7,507                                     | 8,741                         | 4,123                             | 2,908                           | 93,556                                  |
| O-4         | 40,042       | 17,338                    | 6,146                                     | 7,224                         | 4,123                             | 3,980                           | 78,853                                  |
| O-3         | 32,587       | 14,110                    | 4,721                                     | 6,426                         | 4,123                             | 2,697                           | 64,665                                  |
| O-2         | 25,807       | 11,174                    | 3,350                                     | 6,117                         | 4,123                             | 800                             | 51,371                                  |
| O-1         | 18,691       | 8,093                     | 2,709                                     | 4,798                         | 4,123                             | 403                             | 38,818                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| W-4         | 36,672       | 15,879                    | 5,721                                     | 7,338                         | 4,123                             | 3,690                           | 73,423                                  |
| W-3         | 30,160       | 13,059                    | 4,696                                     | 6,676                         | 4,123                             | 3,175                           | 61,889                                  |
| W-2         | 25,020       | 10,834                    | 3,538                                     | 5,819                         | 4,123                             | 1,519                           | 50,853                                  |
| W-1         | 20,697       | 8,962                     | 2,983                                     | 5,085                         | 4,123                             | 1,690                           | 43,538                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| E-9         | 32,218       | 13,950                    | 4,603                                     | 6,753                         | 1,374                             | 175                             | 59,073                                  |
| E-8         | 25,746       | 11,148                    | 4,268                                     | 6,089                         | 1,374                             | 185                             | 48,810                                  |
| E-7         | 21,936       | 9,498                     | 3,658                                     | 5,407                         | 1,374                             | 187                             | 42,061                                  |
| E-6         | 17,918       | 7,758                     | 3,113                                     | 4,966                         | 1,374                             | 197                             | 35,327                                  |
| E-5         | 15,601       | 6,755                     | 2,404                                     | 4,756                         | 1,374                             | 207                             | 31,098                                  |
| E-4         | 12,497       | 5,411                     | 1,654                                     | 4,056                         | 1,374                             | 188                             | 25,180                                  |
| E-3         | 10,624       | 4,600                     | 1,055                                     | 3,523                         | 1,374                             | 178                             | 21,354                                  |
| E-2         | 10,007       | 4,333                     | 789                                       | 3,257                         | 1,374                             | 172                             | 19,932                                  |
| E-1         | 8,439        | 3,654                     | 476                                       | 4,387                         | 1,374                             | 166                             | 18,496                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| Cadet       | 6,527        |                           |   | 2,363                         | 262                               |                                 | 9,152                                   |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1991  
ANNUAL COMPOSITE STANDARD RATES**

| GRADE           | NAVY         |                           |   |                               |                                   |                                 | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
|-----------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
|                 | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY |   |
| O-10            | \$94,330     | \$40,750                  | \$ 938                                    | \$11,760                      | \$2,417                           | \$2,401                         | \$152,596                               |
| O-9             | 86,447       | 37,345                    | 2,168                                     | 10,082                        | 2,417                             | 2,795                           | 141,254                                 |
| O-8             | 80,238       | 34,663                    | 6,278                                     | 9,905                         | 2,417                             | 2,360                           | 135,861                                 |
| O-7             | 70,901       | 30,629                    | 6,261                                     | 8,853                         | 2,417                             | 2,306                           | 121,368                                 |
| O-6             | 59,009       | 25,492                    | 9,212                                     | 8,296                         | 2,417                             | 5,048                           | 109,474                                 |
| O-5             | 47,651       | 20,585                    | 9,912                                     | 7,150                         | 2,417                             | 5,108                           | 92,824                                  |
| O-4             | 39,084       | 16,884                    | 8,354                                     | 6,170                         | 2,417                             | 5,810                           | 78,720                                  |
| O-3             | 32,141       | 13,885                    | 6,840                                     | 6,062                         | 2,417                             | 5,698                           | 67,045                                  |
| O-2             | 25,512       | 11,021                    | 5,463                                     | 4,817                         | 2,417                             | 2,355                           | 51,585                                  |
| O-1             | 18,660       | 8,061                     | 4,308                                     | 4,038                         | 2,417                             | 1,656                           | 39,142                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| W-4             | 37,815       | 16,336                    | 7,151                                     | 7,352                         | 2,417                             | 2,935                           | 74,006                                  |
| W-3             | 31,586       | 13,645                    | 6,778                                     | 5,400                         | 2,417                             | 2,795                           | 62,622                                  |
| W-2             | 26,888       | 11,616                    | 6,412                                     | 4,781                         | 2,417                             | 2,668                           | 54,782                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| E-9             | 31,713       | 13,700                    | 7,077                                     | 5,971                         | 871                               | 2,144                           | 61,445                                  |
| E-8             | 26,117       | 11,282                    | 6,233                                     | 5,364                         | 871                               | 2,065                           | 51,932                                  |
| E-7             | 21,974       | 9,491                     | 5,384                                     | 5,037                         | 871                               | 1,935                           | 44,693                                  |
| E-6             | 18,414       | 7,953                     | 4,500                                     | 4,519                         | 871                               | 1,554                           | 37,812                                  |
| E-5             | 15,016       | 6,483                     | 3,414                                     | 4,232                         | 871                               | 1,225                           | 31,243                                  |
| E-4             | 12,367       | 5,336                     | 2,212                                     | 3,934                         | 871                               | 912                             | 25,633                                  |
| E-3             | 10,815       | 4,651                     | 1,520                                     | 3,664                         | 871                               | 133                             | 21,654                                  |
| E-2             | 9,991        | 4,278                     | 827                                       | 3,490                         | 871                               | 119                             | 19,577                                  |
| E-1             | 8,684        | 3,713                     | 565                                       | 3,188                         | 871                               | 83                              | 17,106                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| Mid-shipmen     | 6,697        |                           |   | 1,925                         | 75                                | 197                             | 8,894                                   |
|                 |              |                           |   |                               |                                   |                                 |   |
| Aviation Cadets | 8,542        |                           | 96  | 4,065                         | 100                               |                                 | 12,803                                  |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1991  
ANNUAL COMPOSITE STANDARD RATES**

| <b>MARINE CORPS</b> |              |                           |   |                               |                                   |                                 |   |
|---------------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE               | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10                | \$80,252     | \$34,669                  | 0.0                                       | \$11,212                      | \$2,362                           | 0.0                             | \$128,495                               |
| O-9                 | 80,252       | 34,669                    | 0.0                                       | 9,266                         | 2,362                             | 0.0                             | 126,549                                 |
| O-8                 | 80,244       | 34,666                    | 0.0                                       | 8,766                         | 2,362                             | 0.0                             | 126,039                                 |
| O-7                 | 70,824       | 30,596                    | 7,943                                     | 8,766                         | 2,362                             | 0.0                             | 120,491                                 |
| O-6                 | 59,831       | 25,847                    | 7,168                                     | 8,424                         | 2,362                             | 5                               | 103,637                                 |
| O-5                 | 49,145       | 21,231                    | 8,615                                     | 7,068                         | 2,362                             | 1,859                           | 90,280                                  |
| O-4                 | 41,004       | 17,714                    | 7,326                                     | 5,881                         | 2,362                             | 1,863                           | 76,150                                  |
| O-3                 | 33,865       | 14,630                    | 6,126                                     | 5,506                         | 2,362                             | 1,859                           | 64,348                                  |
| O-2                 | 26,453       | 11,428                    | 4,755                                     | 5,064                         | 2,362                             | 1,858                           | 51,920                                  |
| O-1                 | 19,142       | 8,269                     | 3,065                                     | 4,119                         | 2,362                             | 1,857                           | 38,815                                  |
|                     |              |                           |   |                               |                                   |                                 |   |
| W-4                 | 35,790       | 15,461                    | 7,160                                     | 5,513                         | 2,362                             | 1,884                           | 68,170                                  |
| W-3                 | 29,658       | 12,812                    | 4,997                                     | 5,044                         | 2,362                             | 1,880                           | 56,753                                  |
| W-2                 | 25,271       | 10,917                    | 4,770                                     | 4,750                         | 2,362                             | 1,893                           | 49,963                                  |
| W-1                 | 22,225       | 9,601                     | 3,753                                     | 4,517                         | 2,362                             | 1,897                           | 44,355                                  |
|                     |              |                           |   |                               |                                   |                                 |   |
| E-9                 | 32,581       | 14,075                    | 6,226                                     | 5,416                         | 960                               | 234                             | 59,492                                  |
| E-8                 | 26,300       | 11,362                    | 5,221                                     | 4,603                         | 960                               | 253                             | 48,699                                  |
| E-7                 | 22,066       | 9,533                     | 4,807                                     | 4,460                         | 960                               | 252                             | 42,077                                  |
| E-6                 | 18,418       | 7,956                     | 4,035                                     | 4,160                         | 960                               | 245                             | 35,775                                  |
| E-5                 | 15,381       | 6,645                     | 3,463                                     | 3,971                         | 960                               | 241                             | 30,660                                  |
| E-4                 | 12,929       | 5,585                     | 2,459                                     | 3,862                         | 960                               | 253                             | 26,049                                  |
| E-3                 | 11,015       | 4,758                     | 1,234                                     | 3,575                         | 960                               | 57                              | 21,600                                  |
| E-2                 | 9,997        | 4,319                     | 587                                       | 2,958                         | 960                               | 54                              | 18,875                                  |
| E-1                 | 8,539        | 3,689                     | 402                                       | 2,870                         | 960                               | 54                              | 16,513                                  |

**Acceleration Factors**

Leave and Holidays 14.0%  
 Other Benefits 6.0% for officers; 18.0% for enlisted

**Note:**

Monthly Rate = 1/12 (.8333) of annual rate  
 Daily Rate = 1/260 (.00385) of annual rate  
 Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1991  
ANNUAL COMPOSITE STANDARD RATES**

| <b>AIR FORCE</b> |              |                           |   |                               |                                   |                                 |   |
|------------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE            | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10             | \$101,300    | \$43,863                  | \$ 1,039                                  | \$8,709                       | \$2,673                           | \$3,614                         | 161,198                                 |
| O-9              | 89,833       | 38,898                    | 961                                       | 8,754                         | 2,673                             | 1,398                           | 142,517                                 |
| O-8              | 82,431       | 35,693                    | 2,936                                     | 6,872                         | 2,673                             | 1,052                           | 131,657                                 |
| O-7              | 71,133       | 30,800                    | 3,115                                     | 8,067                         | 2,673                             | 1,293                           | 117,081                                 |
| O-6              | 58,860       | 25,486                    | 6,814                                     | 7,760                         | 2,673                             | 6,436                           | 108,029                                 |
| O-5              | 48,297       | 20,913                    | 8,430                                     | 6,943                         | 2,673                             | 5,826                           | 93,082                                  |
| O-4              | 39,803       | 17,235                    | 7,125                                     | 6,523                         | 2,673                             | 7,061                           | 80,420                                  |
| O-3              | 32,487       | 14,067                    | 5,478                                     | 6,230                         | 2,673                             | 3,685                           | 64,620                                  |
| O-2              | 24,593       | 10,649                    | 3,751                                     | 5,475                         | 2,673                             | 884                             | 48,025                                  |
| O-1              | 17,887       | 7,745                     | 3,530                                     | 5,058                         | 2,673                             | 935                             | 37,828                                  |
|                  |              |                           |   |                               |                                   |                                 |   |
| E-9              | 32,548       | 14,093                    | 5,425                                     | 6,627                         | 1,572                             | 174                             | 60,439                                  |
| E-8              | 26,868       | 11,634                    | 4,686                                     | 6,180                         | 1,572                             | 186                             | 51,126                                  |
| E-7              | 22,718       | 9,837                     | 3,976                                     | 5,631                         | 1,572                             | 172                             | 43,906                                  |
| E-6              | 19,010       | 8,231                     | 3,697                                     | 5,254                         | 1,572                             | 140                             | 37,904                                  |
| E-5              | 15,822       | 6,851                     | 2,599                                     | 5,061                         | 1,572                             | 116                             | 32,021                                  |
| E-4              | 12,967       | 5,615                     | 2,064                                     | 4,855                         | 1,572                             | 86                              | 27,159                                  |
| E-3              | 10,781       | 4,668                     | 1,477                                     | 4,323                         | 1,572                             | 74                              | 22,895                                  |
| E-2              | 10,041       | 4,348                     | 878                                       | 4,107                         | 1,572                             | 63                              | 21,009                                  |
| E-1              | 8,368        | 3,623                     | 516                                       | 3,458                         | 1,572                             | 49                              | 17,586                                  |
|                  |              |                           |   |                               |                                   |                                 |   |
| Cadet            | 6,527        |                           |   | 2,002                         | 157                               |                                 | 8,686                                   |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1992  
ANNUAL COMPOSITE STANDARD RATES**

| <b>ARMY</b> |              |                           |   |                               |                                   |                                 |   |
|-------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE       | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10        | \$103,925    | \$44,376                  | \$3,000                                   | \$12,530                      | \$4,294                           | \$-----                         | \$168,124                               |
| O-9         | 92,671       | 39,571                    | 3,409                                     | 9,814                         | 4,294                             | 2,221                           | 151,980                                 |
| O-8         | 83,965       | 35,853                    | 3,344                                     | 9,532                         | 4,294                             | 1,512                           | 138,499                                 |
| O-7         | 74,104       | 31,642                    | 3,366                                     | 9,455                         | 4,294                             | 1,621                           | 124,482                                 |
| O-6         | 62,116       | 26,524                    | 7,790                                     | 10,181                        | 4,294                             | 6,144                           | 117,049                                 |
| O-5         | 51,077       | 21,810                    | 8,649                                     | 8,872                         | 4,294                             | 2,704                           | 97,407                                  |
| O-4         | 41,616       | 17,770                    | 6,998                                     | 7,866                         | 4,294                             | 3,598                           | 82,143                                  |
| O-3         | 33,938       | 14,492                    | 5,387                                     | 8,468                         | 4,294                             | 2,442                           | 69,021                                  |
| O-2         | 26,760       | 11,427                    | 3,797                                     | 5,731                         | 4,294                             | 712                             | 52,721                                  |
| O-1         | 19,600       | 8,369                     | 3,279                                     | 4,572                         | 4,294                             | 453                             | 40,567                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| W-4         | 38,276       | 16,344                    | 6,587                                     | 8,023                         | 4,294                             | 3,901                           | 77,425                                  |
| W-3         | 31,486       | 13,455                    | 5,286                                     | 8,192                         | 4,294                             | 3,245                           | 65,948                                  |
| W-2         | 25,716       | 10,981                    | 4,000                                     | 5,700                         | 4,294                             | 1,529                           | 52,220                                  |
| W-1         | 21,584       | 9,216                     | 3,404                                     | 4,891                         | 4,294                             | 2,003                           | 45,391                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| E-9         | 33,563       | 14,331                    | 5,347                                     | 8,059                         | 1,641                             | 193                             | 63,134                                  |
| E-8         | 27,708       | 11,831                    | 5,040                                     | 7,304                         | 1,641                             | 203                             | 53,727                                  |
| E-7         | 23,247       | 9,926                     | 4,280                                     | 6,461                         | 1,641                             | 203                             | 45,759                                  |
| E-6         | 19,411       | 8,288                     | 3,524                                     | 5,923                         | 1,641                             | 215                             | 39,003                                  |
| E-5         | 16,163       | 6,902                     | 2,715                                     | 5,795                         | 1,641                             | 227                             | 33,442                                  |
| E-4         | 13,078       | 5,584                     | 1,900                                     | 5,063                         | 1,641                             | 201                             | 27,468                                  |
| E-3         | 11,085       | 4,733                     | 1,211                                     | 4,631                         | 1,641                             | 193                             | 23,493                                  |
| E-2         | 10,428       | 4,453                     | 916                                       | 4,503                         | 1,641                             | 188                             | 22,128                                  |
| E-1         | 9,292        | 3,968                     | 529                                       | 6,573                         | 1,641                             | 180                             | 22,183                                  |
|             |              |                           |   |                               |                                   |                                 |   |
| Cadet       | 6,942        |                           |   | 1,963                         | 249                               |                                 | 9,154                                   |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate



**FISCAL YEAR 1992  
ANNUAL COMPOSITE STANDARD RATES**

| NAVY            |              |                           |   |                               |                                   |                                 |   |
|-----------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE           | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10            | \$83,798     | \$35,782                  | \$ 976                                    | \$12,373                      | \$2,504                           | \$2,413                         | \$137,847                               |
| O-9             | 83,858       | 35,807                    | 963                                       | 10,858                        | 2,504                             | 2,982                           | 136,973                                 |
| O-8             | 83,969       | 35,855                    | 7,038                                     | 10,364                        | 2,504                             | 2,530                           | 142,261                                 |
| O-7             | 74,185       | 31,677                    | 6,528                                     | 8,945                         | 2,504                             | 2,473                           | 126,313                                 |
| O-6             | 61,721       | 26,355                    | 9,523                                     | 9,436                         | 2,504                             | 5,484                           | 115,022                                 |
| O-5             | 49,827       | 21,276                    | 10,522                                    | 7,691                         | 2,504                             | 5,464                           | 97,284                                  |
| O-4             | 40,885       | 17,458                    | 8,860                                     | 6,506                         | 2,504                             | 6,155                           | 82,368                                  |
| O-3             | 33,646       | 14,367                    | 7,262                                     | 6,644                         | 2,504                             | 6,049                           | 70,472                                  |
| O-2             | 26,676       | 11,391                    | 5,862                                     | 5,088                         | 2,504                             | 2,329                           | 53,849                                  |
| O-1             | 19,512       | 8,331                     | 4,525                                     | 4,261                         | 2,504                             | 1,683                           | 40,816                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| W-4             | 39,486       | 16,861                    | 6,862                                     | 8,312                         | 2,504                             | 3,147                           | 77,172                                  |
| W-3             | 33,037       | 14,107                    | 7,077                                     | 5,889                         | 2,504                             | 2,577                           | 65,192                                  |
| W-2             | 28,089       | 11,994                    | 6,660                                     | 5,020                         | 2,504                             | 2,693                           | 56,960                                  |
| W-1             | 22,511       | 9,612                     | 8,132                                     | 4,496                         | 2,504                             | -0-                             | 47,256                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| E-9             | 33,156       | 14,158                    | 7,469                                     | 6,310                         | 961                               | 2,089                           | 64,143                                  |
| E-8             | 27,298       | 11,656                    | 6,467                                     | 5,671                         | 961                               | 2,111                           | 54,164                                  |
| E-7             | 22,939       | 9,795                     | 5,674                                     | 5,337                         | 961                               | 1,894                           | 46,599                                  |
| E-6             | 19,207       | 8,201                     | 4,709                                     | 4,785                         | 961                               | 1,567                           | 39,430                                  |
| E-5             | 15,707       | 6,707                     | 3,582                                     | 4,487                         | 961                               | 1,199                           | 32,643                                  |
| E-4             | 12,952       | 5,530                     | 2,268                                     | 4,201                         | 961                               | 927                             | 26,838                                  |
| E-3             | 11,297       | 4,824                     | 1,582                                     | 3,934                         | 961                               | 140                             | 22,738                                  |
| E-2             | 10,462       | 4,467                     | 845                                       | 3,816                         | 961                               | 143                             | 20,694                                  |
| E-1             | 9,055        | 3,867                     | 486                                       | 3,501                         | 961                               | 109                             | 17,979                                  |
|                 |              |                           |   |                               |                                   |                                 |   |
| Mid-shipmen     | 7,006        |                           |   | 2,011                         | 73                                | 192                             | 9,283                                   |
|                 |              |                           |   |                               |                                   |                                 |   |
| Aviation Cadets | 8,938        |                           | 99  | 4,426                         | 165                               |                                 | 13,628                                  |

## Acceleration Factors

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1992  
ANNUAL COMPOSITE STANDARD RATES**

| <b>MARINE CORPS</b> |              |                           |   |                               |                                   |                                 |   |
|---------------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE               | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10                | \$104,490    | \$44,617                  | 0.0                                       | \$12,141                      | \$2,442                           | 0.0                             | \$163,690                               |
| O-9                 | 92,672       | 39,571                    | 0.0                                       | 10,590                        | 2,442                             | 0.0                             | 145,275                                 |
| O-8                 | 83,964       | 35,852                    | 0.0                                       | 10,090                        | 2,442                             | 0.0                             | 132,348                                 |
| O-7                 | 74,105       | 31,643                    | 7,088                                     | 10,090                        | 2,442                             | 0.0                             | 125,368                                 |
| O-6                 | 62,570       | 26,717                    | 7,485                                     | 9,782                         | 2,442                             | 5                               | 109,001                                 |
| O-5                 | 51,446       | 21,967                    | 9,060                                     | 8,359                         | 2,442                             | 1,566                           | 94,840                                  |
| O-4                 | 42,899       | 18,318                    | 7,676                                     | 6,951                         | 2,442                             | 1,570                           | 79,856                                  |
| O-3                 | 35,532       | 15,172                    | 6,459                                     | 6,595                         | 2,442                             | 1,566                           | 67,766                                  |
| O-2                 | 27,739       | 11,845                    | 4,990                                     | 6,213                         | 2,442                             | 1,564                           | 54,793                                  |
| O-1                 | 20,139       | 8,600                     | 3,260                                     | 5,110                         | 2,442                             | 1,564                           | 41,116                                  |
|                     |              |                           |   |                               |                                   |                                 |   |
| W-4                 | 37,507       | 16,016                    | 7,656                                     | 6,568                         | 2,442                             | 1,589                           | 71,778                                  |
| W-3                 | 31,032       | 13,251                    | 4,996                                     | 6,073                         | 2,442                             | 1,589                           | 59,383                                  |
| W-2                 | 26,477       | 11,306                    | 5,472                                     | 5,765                         | 2,442                             | 1,595                           | 53,056                                  |
| W-1                 | 23,314       | 9,955                     | 3,415                                     | 5,523                         | 2,442                             | 1,610                           | 46,260                                  |
|                     |              |                           |   |                               |                                   |                                 |   |
| E-9                 | 34,137       | 14,577                    | 6,488                                     | 6,115                         | 968                               | 240                             | 62,525                                  |
| E-8                 | 27,892       | 11,910                    | 5,331                                     | 5,306                         | 968                               | 262                             | 51,667                                  |
| E-7                 | 23,117       | 9,871                     | 4,993                                     | 4,947                         | 968                               | 259                             | 44,154                                  |
| E-6                 | 19,262       | 8,225                     | 4,195                                     | 4,624                         | 968                               | 252                             | 37,526                                  |
| E-5                 | 16,147       | 6,895                     | 3,611                                     | 4,456                         | 968                               | 248                             | 32,326                                  |
| E-4                 | 13,619       | 5,815                     | 2,622                                     | 4,338                         | 968                               | 261                             | 27,623                                  |
| E-3                 | 11,596       | 4,951                     | 1,305                                     | 4,002                         | 968                               | 63                              | 22,885                                  |
| E-2                 | 10,461       | 4,467                     | 595                                       | 3,501                         | 968                               | 60                              | 20,052                                  |
| E-1                 | 8,925        | 3,811                     | 461                                       | 3,420                         | 968                               | 60                              | 17,644                                  |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

**FISCAL YEAR 1992  
ANNUAL COMPOSITE STANDARD RATES**

| <b>AIR FORCE</b> |              |                           |   |                               |                                   |                                 |   |
|------------------|--------------|---------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---|
| GRADE            | BASIC<br>PAY | RETIRED<br>PAY<br>ACCRUAL | BASIC<br>ALLOWANCE<br>FOR QTRS<br>AND VHA | MISCEL-<br>LANEOUS<br>EXPENSE | PERMANENT<br>CHANGE OF<br>STATION | INCENTIVE<br>AND<br>SPECIAL PAY | ANNUAL<br>COMPOSITE<br>STANDARD<br>RATE |
| O-10             | \$103,925    | \$44,376                  | \$ 840                                    | \$17,257                      | \$3,294                           | \$3,197                         | \$172,888                               |
| O-9              | 92,672       | 39,571                    | 991                                       | 11,166                        | 3,294                             | 1,198                           | 148,891                                 |
| O-8              | 83,964       | 35,852                    | 3,066                                     | 12,440                        | 3,294                             | 1,417                           | 140,034                                 |
| O-7              | 74,109       | 31,645                    | 3,537                                     | 10,575                        | 3,294                             | 1,853                           | 125,013                                 |
| O-6              | 61,188       | 26,127                    | 6,965                                     | 10,393                        | 3,294                             | 5,699                           | 113,667                                 |
| O-5              | 50,326       | 21,489                    | 8,730                                     | 8,873                         | 3,294                             | 5,631                           | 98,343                                  |
| O-4              | 41,323       | 17,645                    | 7,361                                     | 6,919                         | 3,294                             | 6,490                           | 83,032                                  |
| O-3              | 33,916       | 14,482                    | 5,733                                     | 6,353                         | 3,294                             | 4,113                           | 67,892                                  |
| O-2              | 25,692       | 10,970                    | 3,879                                     | 4,786                         | 3,294                             | 947                             | 49,569                                  |
| O-1              | 18,747       | 8,005                     | 3,513                                     | 4,079                         | 3,294                             | 944                             | 38,581                                  |
|                  |              |                           |   |                               |                                   |                                 |   |
| E-9              | 33,706       | 14,392                    | 4,943                                     | 7,051                         | 1,452                             | 175                             | 61,719                                  |
| E-8              | 27,843       | 11,889                    | 4,724                                     | 6,465                         | 1,452                             | 208                             | 52,581                                  |
| E-7              | 23,663       | 10,104                    | 3,860                                     | 6,041                         | 1,452                             | 194                             | 45,314                                  |
| E-6              | 20,097       | 8,581                     | 3,555                                     | 5,687                         | 1,452                             | 162                             | 39,534                                  |
| E-5              | 16,720       | 7,139                     | 3,002                                     | 5,496                         | 1,452                             | 125                             | 33,934                                  |
| E-4              | 13,687       | 5,844                     | 2,082                                     | 5,007                         | 1,452                             | 95                              | 28,167                                  |
| E-3              | 11,174       | 4,771                     | 1,675                                     | 4,612                         | 1,452                             | 80                              | 23,764                                  |
| E-2              | 10,461       | 4,467                     | 737                                       | 4,025                         | 1,452                             | 73                              | 21,215                                  |
| E-1              | 8,676        | 3,705                     | 354                                       | 3,554                         | 1,452                             | 56                              | 17,797                                  |
|                  |              |                           |   |                               |                                   |                                 |   |
| Cadet            | 6,732        |                           |   | 2,045                         | 116                               |                                 | 8,893                                   |

**Acceleration Factors**

Leave and Holidays 14.0%

Other Benefits 6.0% for officers; 18.0% for enlisted

Note:

Monthly Rate = 1/12 (.8333) of annual rate

Daily Rate = 1/260 (.00385) of annual rate

Hourly Rate = 1/2080 (.00048) of annual rate

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